FACTORS INFLUENCING THE PEOPLE'S CHOICE OF MOBILE TELECOMMUNICATION NETWORK: A CASE OF BURU BURU SHOPPING CENTER, NAIROBI COUNTY

BY

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2011
DECLARATION

This research study is my original work and has not been presented for a degree or any other examination body in any college or University.

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DEDICATION

This project is dedicated to all scholars and any future researchers in the field of Telecommunication.
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ABBREVIATIONS AND ACRONYMS

CCK: Communications Commission of Kenya

GDP: Gross Domestic Product

IDT: Innovation Diffusion Theory

R&D: Research and Development

TAM: Technology Acceptance Model
ABSTRACT

Mobile phone penetration in the developing world shows remarkable growth patterns, which triggers competition among mobile operators and service providers. As a consequence, mobile providers are working extra hard in a bid to come up with innovations that will help them soar high and earn customer loyalty. Mobile telecommunication companies in Kenya are experiencing high churn rates; this clearly shows that these companies have not yet identified what mobile subscribers look for in a network provider thus unable to keep them in their network. This study therefore sought to investigate the factors influencing the people’s choice of telecommunication network in Kenya. The purpose of the study was to find out the influence of price, network coverage, customer awareness and quality of service on people’s choice of telecommunication network in Kenya. The researcher applied descriptive research design for this study. The target population was mobile subscribers at Buru Buru shopping center. The researcher used the stratified random sampling and applied questionnaire for collecting the data. Construct validity and test retest reliability technique was applied to ensure the data collected is reliable and valid. Both content and descriptive statistics methods were use to analyze the data and presented in form of tabular summaries. From the findings, the study concludes that price influences the choice of telecommunication network in Kenya. The study also concludes that network coverage influences the choice of telecommunication network in Kenya. The study further revealed that customer awareness affects the choice of telecommunication network in Kenya. The study also deduced that quality of service affect the choice of telecommunication network in Kenya. Since price promotions have been shown to be effective in customer attraction and retention, the study recommends that the companies should give the various offers and bonus more frequently to achieve a competitive edge. Companies having the problems of clarity and congestion should address them in order to retain and attract more customers through word of mouth advertising. The players in the telecommunication industry should put more effort in educating the public about their products and services. Further, mobile operators should work to realize customer value, raise customer satisfaction, and consolidate customer loyalty to improve their business performance effectively.
CHAPTER ONE
INTRODUCTION

1.1 Background of the study

Communication is an important aspect of human life and according to Nxele and Arun (2005) can be traced back to the writings on the walls in the ancient caves, the Indian smoke signal, and the sound of the African drums. Nxele and Arun illustrate that speed being of the essence in communication, an Athenian marathon runner ran 26 miles from Athens to Sparta to announce the defeat of the Persians by the Greeks.

Nevertheless, in today's world technology has revolutionized communication and people do not need marathon runners to convey messages. With current advances in technology, voice and data are swiftly and expeditiously carried around the globe by satellites, microwaves and cable which make communication fast and reliable (Nxele and Arun, 2005).

The growth in telecommunication technology has not only made communication easier but has a great impact on economic growth. This positive co-relationship between economic growth and telecommunications penetration was established in the 1960s through the economic theory of the Gipps Curve (ITU, 1984). This theory confirmed that access to telephony was the "Missing Link" to development for many developing countries, and thus declared access to telephony as one of the basic rights.

Back in Kenya, mobile cellular networks have revolutionized the communication sector to the extent that mobile phones have become the most preferred method of communication to the majority of Kenya population (Doloitte, 2006).

The number of people using mobile phones is projected to grow to 5.2 billion by 2011; studies have shown that growth in telecommunication is more rapid in developing countries reporting
more mobile subscribers than in developed countries. The reasons given for this rapid growth include: deploying a cellular infrastructure is much less expensive than investing in a new fixed infrastructure for landline phones. In addition, governments in developing countries have allowed private sector companies to obtain a license to provide mobile services, as opposed to the inefficient and sluggish state-owned monopolies that have dominated fixed lines (www.newpolicyinstitute.org).

Kenya has definitely not been left behind in the telecommunication world and has four mobile services operators licensed by the Communication Commission of Kenya (CCK) namely Safaricom Ltd, Airtel Networks (formerly known as Zain), Econet(Yu) and Telkom Kenya (Orange) (CCK, 2008). Safaricom has a market share of 75.9 per cent of subscribers followed by Airtel Kenya with 13.5 per cent while Essar and Telkom Kenya have 6.7 and 4.0 per cent respectively (CCK, January, 2011).

It is expected that competitive pressure will remain intense among the four service providers following the reduction of Mobile tariffs to an average of KES 2.65 for on-net calls per minute from KES 4.78 per minute and KES 2.5 for post-paid subscribers. This represents 33.4 per cent reduction on pre-paid tariffs and 55.5 per cent on post-paid tariffs. The tariff decline is attributed to an interconnection determination by the Commission. This move by CCK means freedom for the customers and spells war on market leadership. The reduction of interconnection tariff has seen mobile companies change their marketing strategy in a bid to try and attract customers onto their network.

1.2 Statement of the Problem

All industries suffer from voluntary churn; this is the decision by the customer to switch to another company or service provider (Nxele and Arun, 2005). This is particularly true for
telecommunication companies. Annual churn rates for telecommunications companies average between 10 and 67 per cent (Hughes, 2007).

According to report by CCK during the quarter, Airtel Networks and Telkom Orange gained 4.4 and 1.3 percentage points respectively of market share while Safaricom and Essar Telecom dropped by 4.8 and 0.7 percentage points respectively. (CCK, January, 2011).

Based on this statistics it’s clear that mobile telecommunication companies in Kenya are experiencing high churn rates, this clearly shows that these companies have not yet identified what mobile subscribers look for in a network provider thus unable to keep them in their network.

1.3 Purpose of the Study

This study was to determine the influence of the people’s choice of mobile telecommunication network in Kenya.

1.4 Objectives of the Study

The objectives of this study were;

1. To establish the extent to which price influences the people’s choice of mobile telecommunication network in Kenya.

2. To determine the influence of network coverage on the people’s choice of mobile telecommunication network in Kenya.

3. To establish the influence of customer awareness on the people’s choice of mobile telecommunication network in Kenya.

4. To establish the influence of quality of service on the people’s choice of mobile telecommunication network in Kenya.
1.5 Research Questions

This study sought to answer the following research questions;

1. How does price influence the people’s choice of mobile telecommunication network in Kenya?

2. What is the extent to which network coverage influences the people’s choice of mobile telecommunication network in Kenya?

3. How does customer awareness affect choice of mobile telecommunication network in Kenya?

4. What is the influence of quality of service on the people’s choice of mobile telecommunication network in Kenya?

1.6 Significance of the Study

This study will have its significance to Telecommunication Companies as the research study will be carried out in their area of jurisdiction. The challenges to be discussed and others to be unveiled will enable them to take the necessary measures.

The Government of Kenya will also benefit from this study since the telecommunication industry is one of the key sources of governments’ revenues. The findings of this research will help the government in the area of resource mobilization in the communication sector.

The study will also be significant to scholars and researchers who are looking for a reliable source of information on the current factors influencing the choice of telecommunication network in Kenya. The study will also provide an opportunity for the researcher to enhance her analytical, evaluative and writing skills.
The foreign and domestic investors will also benefit from this information as they will be able to inject more help to the sector thorough the ministry of Information Technology and the ministry of finance since they are sure that there will be no misappropriation of funds issued out. Lastly, mobile subscribers as well as potential customers will benefit from the study as they will get more enlightened on the topic of mobile telecommunication.

1.7 Delimitation of the Study
This study was carried out in Buru Burn area in Nairobi province/county. The study confined itself only to mobile telecommunication and not other telecommunication services. Buru Burn area has a population that includes young and old, elite as well as business minded population, it also has a well distribution of gender balance and it is easily accessible.

1.8 Limitations of the Study
The respondents were reluctant to give information relating to the policies on issue under study. However, the researcher assured the respondents that the information given was to be treated with ultimate confidentiality. Reluctance to respond to questionnaires was a key limitation in collecting the required data for the study. This was due to some reservations held by the target population. This led to generalization during the analysis and presentation of the data made from those who responded to represent the views of the rest of the respondents.

1.9 Basic assumptions of the study
The study assumed that the sample chosen is a good representation of telephone mobile users in the country. The study also assumed that the data collection instrument has validity and was measuring the desired constructs; the respondents answered questions correctly and truthfully.
1.10 Definitions of Significant terms.

Network Coverage: This is the geographical area covered by the network of a service provider.

Price: Cost of telecommunication products and services that is payable in terms of airtime/cash.

Customer Awareness: This is the ability of the current customer or potential buyer to be aware or knowledgeable about particular products and services offered by the mobile services providers.

Quality of service: These are specific pointers of the services rendered by a network provider that a customer uses to rate the services received.

Mobile Telecommunication

Network: This is mobile connection services offered by Airtel Kenya, Yu, Safaricom or Telkom Kenya mobile companies.

People: These are mobile subscribers.

People's choice: This is the mobile telecommunication network that mobile subscribers are subscribed to.
1.11. Organization of the Study

This study starts with the Introduction which introduces the background of the study, statement of the problem, shows the objectives and the research questions guiding the study, significance, underlying assumptions, limitations and delimitations of the study.

Chapter two contains a comprehensive literature review encompassing price of telecommunication products and services, telecommunication growth and network coverage, customer awareness and quality of service. The literature review also covers theoretical framework and conceptual framework.

Research Methodology which includes the research design, data collection methods, research instruments and sampling procedure are discussed in chapter three.

Chapter four contains the data analysis, presentation and interpretation of findings arising from data analysis using the techniques described in chapter three. These findings are presented in the form of tables accompanied by explanations underneath.

Chapter five contains summary findings, discussion of findings, conclusion and the research recommendations. A section for suggested areas for further studies arising from the study findings and its contribution to the body of knowledge is also included.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews and analyzes the past literature on the factors influencing the choice of telecommunication network. The research is organized around the research objectives in a systematic order. From the past literature, the researcher states the views and stand based on the trends and dynamisms in the field of the factors influencing the choice of telecommunication network.

It particularly will focus on network coverage, price, customer awareness and quality of service. These will be considered as being the pillars of the study. In its last section the chapter presents both theoretical and conceptual frameworks that guide the study.

2.2 Price of telecommunication products and services

One of the four major elements of the marketing mix is price. Pricing is an important strategic issue because it is related to product positioning. Furthermore, pricing affects other marketing mix elements such as product features, channel decisions, and promotion. Pricing must take into account the competitive and legal environment in which the company operates. From a competitive standpoint, the firm must consider the implications of its pricing on the pricing decisions of competitors. Price is a unique category of the marketing mix as it is the only component that represents revenue for the firm. The remaining P’s (product, place, and promotion) are costly activities undertaken to create value for the consumer. Price, in its ideal form, recaptures this value. Yet, most companies adopt very simple heuristics, or “rules of thumb,” for setting prices, often divorced from firm strategy and economic reality.
Pricing has a huge impact on profitability. Pricing strategies vary considerably across industries, countries and customers. Nevertheless, researchers generally concur that pricing strategies can be categorised into three groups: cost-based pricing; competition-based pricing; and customer value-based pricing. Of these, customer value-based pricing is increasingly recognised in the literature as superior to all other pricing strategies. For example, Monroe (2002, p. 36) observes that: “the profit potential for having a value-oriented pricing strategy that works is far greater than with any other pricing approach”. Similarly, Cannon and Morgan (1990) recommend value pricing if profit maximisation is the objective, and Docters et al. (2004, p. 16) refer to value-based pricing as “one of the best pricing methods”. Practitioners have also recognised the advantages of value-based pricing strategies. Several companies have successfully adopted such strategies.

Pricing issues faced by firms vary greatly from one industry to the next. Additionally, different pricing strategies can be used at different times to fit with changes in marketing strategies, market conditions, and product life cycles. The globalization of competition, saturation of markets, and development of information technology have enhanced customer awareness and created a situation where long-term success is no longer achieved through optimized product price and qualities. Instead, companies build their success on a long-term customer relationship.

Businesses today are continually looking for marketing strategies to improve the effectiveness and efficiency of their operations (Srinivasan and Anderson, 1998). Advertising and sales promotion seem to be very powerful ways for businesses to market their product and make it a powerful brand (De Chernatony and McDonald, 2003). Whereas in the past, advertising seemed to be a much more effective way to market a business, today there appears to be widespread
evidence of a switch of emphasis by marketers away from advertising and towards sales promotion (Keon and Bayer, 1986; Peattie and Peattie, 1995; Shultz, 1987).

Although the realm of the effectiveness of monetary sales promotion has been studied extensively (Dhar and Hoch, 1996; Hoch et al., 1994), price cuts or price deals have received less attention. It appears that over the last half century, retailers have offered consumers periodic short-term price cuts – called "deals" – on a regular basis (Blattberg et al., 1981). Deals explanation is that are considered to be one of the major forms of price competition used by retailers. The reason for this derives from several explanations. The most common explanation is that retailers offer deals to attract customers from other stores.

Different buyers may evaluate the same provider differently which is a result of the intrinsic feature of dynamic spectrum access and user applications. Spectrum seller's profit is analyzed from a game theoretic perspective for quality-sensitive and price-sensitive buyer populations. Moreover price war is observed when the buyers are price sensitive, which is a result of the cycles existing in the seller's reaction function. It is also observed that seller's operating cost has a great impact on its profit. Under some conditions a spectrum provider offering lower quality of service may make a higher profit. The amount of available information influences the price and profit equilibrium greatly.

In telecommunications, it has been argued that competition creates additional incentives to reduce costs, to innovate and to eliminate distorted prices (Laffont and Tirole, 2000). In addition to capacity, consumer switching costs are a potential determinant of the competition effects in the mobile industry (Valletti and Cave, 1998). For example, mobile operators frequently offer long-term contracts to consumers, thereby artificially creating lock-in. In a one-period context, switching costs (like product differentiation) tend to soften competition between operators. In a
dynamic setting, switching costs may induce firms to compete more aggressively for market share during the early phases of competition.

The presence of switching costs gives rise to some testable predictions. First, switching costs can explain why competition effects are stronger during the first year than afterwards. Second, switching costs may explain the presence of pre-emptive behavior by an incumbent if entry is sequential. This may be done, for example, through limit pricing (charging lower prices than a monopolist would) or by following aggressive marketing campaigns. While switching costs may explain incumbent' limit pricing as a strategy to build up a market share to exploit future market power, it is not the only possibility. In fact, an incumbent may "limit overprice" (charge higher prices than a monopolist), if it is more important to induce soft competition by the future entrant. Limit pricing is more likely if switching costs are present but not too large, and if there is a significant growth of new consumers.

Price discrimination is not a new concept (Krugman, 2004). Pricing discrimination is a pricing strategy providing an individual or some segments of consumer groups with different prices. It is initially applied in the traditional market based on periodic demand fluctuation and inventory level (Elmaghraby and Keskinocak, 2003).

Price fairness is defined as “a consumer’s assessment and associated emotions of whether the difference between a seller’s price and the price of a comparative other party is reasonable, acceptable, or justifiable” (Xia, et al., 2004). As is dynamic pricing so popular in ecommerce market, so is the uproar of consumers’ complaints because of their perceived price unfairness (Cox, 2001).

It has been reported that perception of price unfairness leads to consumer dissatisfaction, leaving the exchange relationship, spreading negative information, or engaging in other actions that
deteriorate the reputation or trust of sellers (Kannan and Kopalle, 2001; Suter and Hardesty, 2005). Therefore, researchers have been requested to pay closer attention to issues of price fairness (Kung, et al., 2002) which help overcome negative responses of consumers induced by dynamic pricing. Reinartz (2001) indicated that consumers’ perceived price fairness is the most important condition that must be upheld for dynamic pricing to work.

In addition, consumers’ perception of price fairness has been known to significantly affect their reactions toward sellers (Kahneman, et al., 1986b). Moreover, previous studies have found that price fairness perception directly affects consumers’ purchase intention (Kahneman, et al., 1986b; Kalapurakal, et al., 1991; Martins and Monroe, 1994). For example, Maxwell (2002) showed that the negative perception of price fairness reduces consumers’ shopping intention. Kahneman et al. (1986a) showed that consumers’ purchase intention is determined by the perception of price fairness. Based on previous findings, we expect the same positive relationship between perceived price fairness and purchase intention in dynamic pricing environment.

Motivation for this specification was first given in the context of a logit model by Perl (1978). We follow the standard demand specification for subscription decisions in which demand for these goods depends on their own price, the prices of substitutes and complements, and on household income, plus attributes of the household and the characteristics of the various alternatives. Mobile subscription usually involves a monthly charge, possibly over the contract period that may run a year or two. Mobile usage is charged by the minute, or some fraction thereof, with additional usage-sensitive charges for long distance and international service and when the user is “roaming” outside her home calling area.
It is probable that non-price quality improvements, rather than price reductions, played a major role in the increase in mobile adoption rates. Non-price characteristics of mobile services can vary considerably, and they should be taken into account. Coverage area has always been a critical aspect of mobile service—in the early days when the networks were first built, as well as today in terms of digitalization and 3G capabilities. Moreover, local areas exist where calling volume demanded currently is beyond the capacity of the infrastructure or where transmission is obstructed. These “hot spots” and “dead zones” are largely determined by the number and placement of base stations. In addition, with new digital transmission and signaling technologies, the feature set of mobile phones has expanded considerably, the size and weight of the handset has fallen, and the battery life has been extended.

2.3 Telecommunication Growth and Network Coverage

Mobile phones have become the primary form of telecommunication in both developed and developing countries. The mobile telecommunication industry has experienced explosive growth in a relatively short time span.

In addition, mobile phone subscribers have overtaken fixed line subscribers to provide communication services in the world. This is due to the relatively low cost of adding new subscribers to the cellular network (mobiles are much more scalable than fixed-line phones) and the premium placed on mobility. The main driver of this explosive growth continues to be private sector investment in the mobile phone sector, assisted by a favorable enabling legal and regulatory environment. The private mobile operators provide services which cater to the demand of consumers and generate profits for manufacturers and operators alike. This enables the mobile industry to be a fast-changing one, responsive to advancements in technology and the mounting sophistication of consumer tastes (GSMA, 2007).
Studies by the International Telecommunications Union indicate that of the world’s mobile subscribers only 33% were in the developed world with the remaining 67% in the developing world at the end of 2006. Consequently, Africa has now surpassed North America in terms of the number of mobile subscribers and future growth projections are also strong. Africa’s mobile penetration rate is expected to increase to 31% by 2011 and the number of Africa’s mobile subscribers is expected to grow at a compound average growth rate of 13% between 2007 and 2011.

The main contributor to this phenomenal growth has been the involvement of a competitive private sector. More analysis of the developing world indicates that in Africa, 8 of the 18 countries analyzed have achieved over 70% population coverage, despite per capita incomes of less than $1,000. The main drivers are: (a) small geographical area; (b) good market conditions; (c) conducive policy environment; and (d) high population density.

The telecommunication market continued to demonstrate strong and consistent growth as demonstrated by increased subscriptions in the mobile market while the fixed line continued on a declining trend. In Kenya the number of mobile subscriptions has tripled in the last five years from 7.3 in 2006 to the current 22 million subscriptions (CCK, January, 2011)

2.4 Customer Awareness

Several studies have highlighted that consumption is mainly driven by two motivations: a product-oriented (utilitarian) motive and/or an experience-oriented (hedonic) one (Holbrook and Hirschman, 1982; Babin et al., 1994). These studies state that consumers buy products not only for their material utilities, but also for the symbolic meaning associated to their images (Xue, 2008; Elliot, 1997). The impact of products’ symbolic meaning is strongly correlated to the
interrelationship between the perceived product image and the buyer's self-concept (Zinkhan and Hong, 1991). In fact, according to Jiang (2004), consumers nowadays try to attain social belonging through buying particular products.

Marketing literature has highlighted that brands can be powerful symbolic products, having considerable social impact, and provoking considerable loyalty (Muniz and O’Guinn, 2001; Holt, 2004). Brands that are characterized by widespread consumer awareness and positive associations affect their social contexts. Strong brands have considerably more power to consumers than their ability to distinguish an offer from those of competitors since they also show additional effects (Kay, 2006).

The stereotypical user of the product or service in the context within which it is used (Sirgy et al., 1997) is drawn by user and usage imagery (Keller, 1998). The former concerns the perception of the type of user. The consumer desire to promote self-consistency and self-esteem motivates them towards positive evaluations of brands if user imagery is congruent with their desired self-image (Sirgy, 1982; Fournier, 1998). On the other hand, usage imagery regards the situational factors in Mobile phone choice which the brand is used.

Two major components of brand knowledge, namely brand awareness and brand image are identified as crucial to successful brand building (Keller, 1993, 1998; Aaker, 1997; Berry, 2000). The former is reached through the presentation of the corporate brand, i.e. advertising, firm name and logo, while the latter through external brand communications, i.e. word-of-mouth and public relations, which are essentially not controlled by the company (Berry, 2000). To gain customer-based brand equity the consumer must be aware of, and familiar with, the offering (brand awareness), and hold brand associations that are strong, favorable and unique in comparison with other brands offered in the same category (brand image).
However, as any given generation of technology will end up being replaced by a newer generation, subjectivity (Addis and Holbrook, 2002) and social heterogeneity (Datte’e and Weil, 2005) are the key determinants in shaping the interactions between the perception of technological evolution and the formation of expectations. The former affects the involvement of people in an atmosphere and, as it involves attitudes and personal needs, influences perceptions and expectations; while the latter creates a personal network with dispersed dyadic relations, linking personal constructs to attitudes towards risk.

Perceptions and the formation of expectations lead to some interesting adoption dynamics. Understanding what differentiates customers in choosing a technology product is crucial in today’s high-tech era (Moore, 2002). A major stream of research has focused on the influence of personal characteristics such as demographics and social-psychographics on consumer behavior, which has important implications for the practices of market segmentation and targeting, as well as product positioning and marketing communication, especially for technology products. Younger, higher income and better educated consumers tend to accept market innovations more quickly (Gatignon and Robertson, 1985).

Certain socio-psychographic characteristics, such as innovative predisposition, opinion leadership, and risk-taking attitude, have also proved as being related to new product adoption (Gatignon and Robertson, 1991; Rogers, 1995).

Consequently, consumer behavior theory has proved demographics as being a factor influencing the adoption of technology-based product and services (Agarwal and Prasad, 1999), as well as prior experience has a significant influence on buying behaviour (Goldsmith and Hofacker, 1991; Citrin et al., 2000).
Thus we can say that product quality is no longer the only and exclusive buying motivation.

Higher income, or better a certain well being, indicates greater financial ability to afford "new" products, while higher levels of education are suggestive of open-mindedness and ability to process new information. Age, on the other hand, can be indicative of risk-avoidance and conservativeness, and thus can be negatively associated with innovativeness.

As competition is played around differentiation strategies that involve technological aspects such as quality, design and technical performance, and marketing aspects, namely brand, sense of belonging to a community, status symbol or bandwagon effect, the borderline between technology and marketing (innovation vs. communication) in developing and marketing new products is not clearly defined. In particular, brand and the hedonic/symbolic values around it are a strategic source of differentiation, even though the time necessary to absorb the investment and R&D costs represents the main risk and thus the main reason for the higher number of facelifts or incremental innovations. Brand loyalty proves to be the key challenge to be faced with a bundle of offers that match the specific expectations of micro segments, easy to serve thanks to technology evolution.

2.5 Quality of Service

Recent years have shown a growing interest in customer loyalty. According to other studies, it can cost as much as six times more to win a new customer than it does to keep an existing one (Rosenberg and Czepiel, 1984). Moreover, depending on the particular industry, it is possible to increase profit by up to 60 per cent after reducing potential migration by 5 per cent (Reichheld, 1993). Hence, increase and retention of loyal customers is a key factor for long-term success of the companies. As a result the main emphasis in marketing has shifted from winning new customers to the retention of existing ones.
Providing users with a good experience will promote quality of service and their continuance usage thus generate positive word-of-mouth (Palka et al., 2009). If their experience is poor, users can easily switch to another mobile platform because of the low switching cost (Maicas et al., 2009). Thus, mobile service providers need to enhance system quality and information quality to further improve user experience and loyalty.

According to Oliver (1999), customer value will result from customer perceptions and experiences in the course of consumption. An optimal customer perception and experience is conducive to continued consumption. Butz and Goodstein (1998) also emphasize that an unexpected higher level of customer value will result in a strong customer connection and greater customer loyalty.

Woodruff (1997) argues that an overall evaluation of products or services by a customer is a perception response resulting from multiple consumption experiences. A positive response corresponds to a high level of satisfaction, which infers a greater likelihood of retaining the customer. In line with this finding and Kotler’s (2002) proposal that a customer will constantly estimate the maximal value of a product or service and establish an expectation of value as a shopping reference.

In the assessment of service quality, consumers take into consideration these five dimensions:

*Reliability:* Delivering on promises. Reliability is described as the ability to de-liver on the company’s promises dependently and accurately with matters pertaining to service provision, problem solving strategies and pricing. Firms that fail to deliver on their reliability promises do actually fail customers in the most direct way and according to Zeithaml (1996); customer expectations for service are likely to go up when service delivery is underperformed. “When
service failures occur, customers tolerance zones are likely to shrink and their adequate and
desired service levels are likely to rise.” (Zeithaml and Bitner 1996, 121)

**Responsiveness:** Willingness to help. Responsiveness is the willingness to assist and provide
prompt customer service whenever required. The emphasis is mainly on the attentiveness and
promptness of customer services rendered such as questions, problems and complaints that
customers would need to be dealt with. Responsiveness is determined by the length of time that
customers have to wait for assistance and the flexibility of service providers to customize their
service in order to meet customers’ needs. Responsiveness perceptions do shrink when
customers are made to wait too long to get assistance (Zeithaml and Bitner 1996).

**Assurance:** Inspiring trust and confidence. Assurance is the knowledge and courtesy of
employees as well as the ability of a firm to inspire trust and confidence in customers.
Trust and confidence is normally embodied in the person that connects a firm with its customers.
Visible evidence that would inspire trust and confidence in customers would be that of
educational qualifications such as degrees and awards. New customers are likely to use such
evidence to assess assurance (Zeithaml and Bitner 1996, 122)

**Empathy:** Treating customers as individuals. According to Zeithaml (1996), empathy is the
caring and individualized attention given to customers. Normally empathy is conveyed when
customers get personalized or customized services and are made to feel unique and special.
Knowing customers by name and building personal relationships with them creates empathy in
firm reflecting personal knowledge preferences of customers wants. Customers like to feel
understood and special.

With personal knowledge of customers wants, firms are able to customize their services to meet
these needs (Zeithaml and Bitner 1996, 122).
Tangibles: Representing the service physically. Tangibles are the physical appearances of physical facilities, equipment, personnel and communication materials according to Zeithaml (1996). These tangibles represent images of the services that customers expect to get. In most cases new customers use these tangibles to evaluate the service quality so it is of great importance that firms enhance their image to reflect quality as well as provide continuity in their “service quality image”. (Zeithaml and Bitner 1996, 119-123)

2.6 Theoretical Framework

The telecommunication industry has evolved over the time and is almost reaching saturation phase. Mobile operators must therefore shift their focus to retain customers, reduce costs and thus increase profits. With this regard, the study will look at key drivers that the operators need to understand so as to ensure sustainable development of their businesses.

2.6.1 Customer Value Theory

According to Kotler (2002), customers establish an expected value as a shopping reference thus a business that fulfils customer value expectations is more likely to increase customer satisfaction and the chances of continued consumption. Woodruff (1997) considers that customer value comprises customer preferences over service attributes, performance attributes, and results. According to Sharma and Lambert (1994), a business-expected customer value can be quite different from a customer-expected customer value. A business is likely to make mistakes when it offers what it perceives as value to its customers, resulting from these different perspectives. Therefore, a business should learn to look at customer value from the perspective of customers to minimize the difference between these two perspectives.
2.6.2 Customer Satisfaction Theory


According to Singh (1991), customer satisfaction is a dimension of multiple items evaluated as a satisfaction measurement, which can vary from business to business. Ostrom and Iacobucci (1995) also hold that customer satisfaction is a multiple-item measurement that evaluates such items as product price, service efficiency, service personnel attitude, overall business performance, and ideal business service.

Kotler (1996) proposes from his integration of various theories that satisfaction is a difference function between perception and expectation. Accordingly, customer satisfaction is an expression of pleasure or disappointment resulting from a comparison between perception and expectation of product function/effect. Customer satisfaction is a subjectively positive or negative feeling arising from a comparison between preconsumption expectation and postconsumption perception. The aim of business performance investigators should, therefore, be to accurately measure the level of customer satisfaction in order to develop appropriate responses.

2.6.3 Customer Loyalty Theory

Seines (1993) points out that customer loyalty involves the likelihood of future consumption, continued service contracts, reduced possibility of brand change, and positive public recommendation. Jones and Sasser (1995) posit that customer loyalty is the willingness of a
customer to continue consuming a specific product or service. According to their theory, there are two types of customer loyalty, namely long-term and short-term. The former is genuine customer loyalty, which means that a customer will not readily turn to another business operator. Customers with short-term loyalty are likely to switch to a different business operator for a better equivalent service.

Moreover, customer loyalty lies mainly in whether a consumer will continue to purchase a product from the same business operator, translated as the competitiveness of a business in the market. Since a very loyal customer is likely to lead more potential customers to the business, many operators highlight customer loyalty as one of their main business goals.

Fornell (1992) proposes a method to measure customer loyalty in terms of repeated purchase intention and price tolerance. Similar to Jones and Sasser (1995), Oliver (1999) classifies loyalty into two types: short-run and long-term. However, Oliver measures short-run loyalty in terms of word-of-mouth, postpurchase recommendation behavior, and complaints. In contrast, long-term loyalty is identified by four different phases: cognitive, affective, conative, and active. Srinivasan, Anderson, and Ponnavolu (2002) propose two major factors for measuring loyalty: word-of-mouth and price tolerance. A customer with greater loyalty will have a higher degree of price tolerance and a greater willingness to make a recommendation to his/her acquaintances.

2.6.4 The Relationship between Customer Value, Customer Satisfaction, and Customer Loyalty

According to Oliver (1999), customer value will result from customer perceptions and experiences in the course of consumption. An optimal customer perception and experience is
 conducive to continued consumption. Butz and Goodstein (1998) consider that an unexpected higher level of customer value will result in a strong customer connection and greater customer loyalty.

Reichheld and Sasser (1990) hold that a satisfied customer will have greater customer loyalty, which suggests a much greater chance for repeat purchases in the future. In their study of customer satisfaction, Anderson and Sullivan (1993) found that, with antecedent and consequence variables, customer satisfaction has a positive effect on customer-repeat purchase behavior, an expression of customer loyalty.

Woodruff (1997) found that an overall evaluation of products or services by a customer is a perception response resulting from multiple consumption experiences. A positive response corresponds to a high level of satisfaction, which infers a greater likelihood of retaining the customer. In line with this finding and Kotler's (2002) proposal that a customer will constantly estimate the maximal value of a product or service and establish an expectation of value as a shopping reference, the following hypothesis was proposed:

2.6.5 Switching Cost Theory

In previous studies, switching costs have commonly been defined as the sacrifices or penalties consumers feel they may incur by moving from one provider to another (Jones, Reynolds, Mothersbaugh, and Beatty, 2007). Heide and Weiss (1995) observe that switching costs were originally defined as the potential cost incurred by the switch from one service provider to another.

According to Dick and Basu (1994), switching costs involve monetary expenses and nonmonetary costs (time and energy), as well as profit losses derived from loyalty. For instance,
A customer may make transaction-specific investments with a supplier. In the course of this customer-supplier relationship, routine and procedural transaction patterns may develop as a form of switching costs (Jap and Ganesan, 2000). Once the relationship terminates, all these patterns will be lost. Conceptually, switching costs can reflect the buyer’s reliance on the seller and the buyer’s desire to maintain a relationship with the supplier to achieve the consumption goal (Frazier, 1983).

A compilation of previous switching cost theories by Burnham, Frels, and Mahajan (2003) led them to conclude that there are three major types of variables:

1. Switching costs are related to time;
2. Financial switching costs are related to financial profit; and
3. Relationship switching costs are related to emotions. Finally, Shapiro and Varian (1999) point out that an individual consumer views switching cost as a sum of costs to both the consumer and the supplier, suggesting that both are crucial in measuring switching costs.
2.7 Conceptual framework

This conceptual framework shows the relationship between the independent variables, extraneous variables and moderating variable influence on people's choice of telecommunication network.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Extraneous Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>Age and Gender</td>
<td>People's Choice of Mobile Telecommunication Network in Kenya</td>
</tr>
<tr>
<td>Tariff charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offers and bonus</td>
<td></td>
<td></td>
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<tr>
<td>Network Coverage</td>
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<tr>
<td>Availability</td>
<td></td>
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<tr>
<td>Clarity</td>
<td></td>
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<tr>
<td>Customer awareness</td>
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<td></td>
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<tr>
<td>Professional status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product knowledge</td>
<td></td>
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<tr>
<td>Quality of service</td>
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<tr>
<td>Customer satisfaction</td>
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<td></td>
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<tr>
<td>Service delivery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderating Variable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 1: Conceptual framework

2.7.1 Interpretation of Conceptual Framework

Price influences consumers purchase behavior, when price is affordable then consumers will tend to go for that service as compare to more expensive services.
For proper communication to take place, good and reliable network is important. It is imperative that customers have good product knowledge so as to make informed decisions.

Quality of service influences a customer's purchase pattern, that is it determines if the customer will go back for the services or not.

Customers' age and gender also significantly affect customers' choice when selection the telecommunication network to subscribe to, for instance college students influence each other to subscribe to a certain network that offers low charges during off peak hours so that they can call each other for less.

Government policies and regulations on the mobile operators significantly affect people’s choice of telecommunication network.

2.8 Summary

Based on the literature review in this study, it can be argued that varied factors influence the people’s choice of mobile telecommunication network in Kenya. The literature cited the need for companies to build long-term customer relationship so as to translate to success.

The results of this empirical study show that mobile operators should work to realize customer value, raise customer satisfaction, and consolidate customer loyalty to improve their business performance effectively. The results also demonstrate that a customer with a higher perception of product or service value has a greater approval and greater customer loyalty. In terms of customer value, a customer pays more attention to services than to products.

Accordingly, mobile operators should make use of customer value to raise its competitiveness.

The researcher also established that there is no empirical research known to have been undertaken to study the factors that influence people’s choice of mobile telecommunication in
Buru Buru, Nairobi County. Therefore to fill in the above gaps, the researcher will collect sufficient data on factors that influence choice of mobile telecommunication network. These factors are: price, network coverage; customer awareness and quality of service.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents a detailed description of the selected research design. In this section, the researcher described the general methodology applied in carrying out the research project. The researcher described the general research design used and defined the target population and sampling technique applied. This is followed by a description of the methods used to collect data from the respondents. The researcher went on to identify and describe the methods used to analyze the data collected. The last section provide a summary of the main elements in the chapter on the methodology.

3.2 Research Design

A descriptive research design was used for this study. According to Cooper and Schindler (2001), descriptive studies deal with question of who, what, when, where and how a topic, and are used when there is some understanding of the topic. The major purpose of descriptive design is description of the state of affairs as it exists. Kerlinger (1969) points out that descriptive studies are not only restricted to fact findings, but may often result in the formulation of important principles of knowledge and solution to significant problems. The purpose of this study was to “find out the factors influencing the choice of telecommunication network in Kenya”.

3.3 Target population

Target population for in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well defined or set of people that are being investigated. This research was conducted in Buru Buru area of Nairobi shopping center.
population was chosen since it consists of people from all ethnicity; it has a good age balance that is a mixture of old, young and middle aged. The population of Buru Buru area is literate and can be able to interpret the issues facing the telecommunication industry.

Buru Buru is an estate located within the eastern part of Nairobi. Population of Buru Buru shopping center as given by Buru Buru chief’s office is 1000 people. The population consisted of Safaricom Subscribers, Airtel (Zain) Subscribers, Yu subscribers and Orange Subscribers, and was divided according to each company’s market share i.e 80%, 10%, 7% and 3% respectively. Mugenda and Mugenda, (2003), explain that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study. The table below shows the distribution of the target population.

### Table 3.1: Target population

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtel Subscribers</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>Safaricom Subscribers</td>
<td>800</td>
<td>80</td>
</tr>
<tr>
<td>Orange Subscribers</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>Yu Subscribers</td>
<td>70</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1000</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### 3.4 Sample Design and Procedure

A sample is a part of the target population that is procedurally selected to represent the population. The researcher used the stratified random sampling since this method gave every
person an opportunity to give his or her independent views and suggestions. According to Mugenda and Mugenda, (2003) since the target population is small, 10% of the target population was selected for sampling as shown below. The researcher is convinced that the population was not uniform since the respondents selected was subscribers of the four companies and had different opinions over the given issues under investigation.

3.4.1 Sampling Frame

It is very important for a researcher to draw a sampling frame for the population of the study. A sampling frame is a complete listing of the sampling units. The accuracy of a sample depends largely on the sampling frame (Mugenda and Mugenda, 2003). The table below shows the sampling frame.

Table 3.2: Sample Frame

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Population</th>
<th>Sample</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtel Subscribers</td>
<td>100</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Safaricom Subscribers</td>
<td>800</td>
<td>80</td>
<td>10</td>
</tr>
<tr>
<td>Orange Subscribers</td>
<td>30</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Yu Subscribers</td>
<td>70</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1000</strong></td>
<td><strong>100</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>
3.5 Methods of Data Collection

3.5.1 Data collection

The researcher applied questionnaire for collecting the data. The selection of this data was guided by the nature of data to be collected, the time available as well as the objectives of the study.

3.5.2 Questionnaires

This is a set of few questions asked in a logic sequence but put in wring form. They required brief and direct answers. Questionnaires were used since the study was concerned with variables that cannot be directly observed such as views, opinions perceptions and feelings of the respondents. Such information was collected using questionnaires, (Touliatos and Compton, 1988). The whole of the target population was literate and unlikely to have difficulties responding to the questions items.

3.5.3 Observation

Observation is a method of data collection in which the situation of interest is watched and the relevant facts, actions and behaviors are recorded. Data was gathered mainly through observation without asking questions to respondent.

The researcher study mobile subscribers’ habit, visit show rooms and pose as customer to get a feel of the kind of service offered by the telecommunication services providers

3.6 Research Validity and reliability

Crowther and Lancaster (2005, 80) describes validity as the extent to which the data collection method measures what it is supposed or expected to measure. Failure for ensuring valid research could lead to collection of data that is meaningless or misleading for the research in question. In
The researcher applied construct validity; measure of the degree to which data obtained from an instrument meaningfully and accurately reflects a theoretical concept.

The survey was carried out to investigate the factors influencing the choice of telecommunication network in Kenya, this data was collected from subscribers of the four mobile providers in Kenya, i.e. Safaricom, YU, Airtel and Telkom. Therefore, this information was a true reflection of what the customers feel hence it’s valid.

Reliability is the extent to which an experiment, test, or any measuring procedure yields the same results on repeated trials (Mugenda 2008). To ensure the data collected is reliable, the researcher used test retest reliability technique. This method involved administering the same instrument twice to the same group of subjects at two different points in time. The results were considered reliable also because the sample used for this survey is considerably large enough and represents a wide spectrum of the different types of customers that the researcher is looking for.

3.7 Operational definition of variables

The researcher will carry out research on the independent variables that influence the people’s choice of mobile telecommunication network. These variables are; price, network coverage, customer awareness, quality of service.
<table>
<thead>
<tr>
<th>Objectives</th>
<th>Variables</th>
<th>Indicators</th>
<th>Measurement</th>
<th>Measure of Scale</th>
<th>Study Design</th>
<th>Tools of Analysis</th>
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<tr>
<td>To establish the extent to which price influences the choice of telecommunication network in Kenya.</td>
<td>Price</td>
<td>Tariff charges</td>
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<td>Ordinal</td>
<td>Descriptive</td>
<td>Mode/mean</td>
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<td>Type of subscription</td>
<td>Prepaid/postpaid</td>
<td>Nominal</td>
<td></td>
<td>mean</td>
</tr>
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<td></td>
<td></td>
<td>Offers &amp; promotions</td>
<td>bonuses</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Level of income</td>
<td>Income per month</td>
<td></td>
<td></td>
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<td>Pricing rating</td>
<td>Price rating</td>
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<td></td>
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<td>To determine the influence of network coverage on choice of telecommunication network in Kenya.</td>
<td>Network coverage</td>
<td>Network in use</td>
<td>Network subscribed to</td>
<td>Ordinal</td>
<td>Descriptive</td>
<td>mean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Network stability rating</td>
<td>Clarity, stability</td>
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<td>Network availability</td>
<td>Availability &amp; reliability</td>
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<td></td>
<td></td>
<td>Strongest reliability</td>
<td>Bars of network</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To establish the impact of customer awareness on the choice of telecommunication network in Kenya.</td>
<td>Customer awareness</td>
<td>Products knowledge</td>
<td>Top 3 use products</td>
<td>Ordinal</td>
<td>Descriptive</td>
<td>mean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>education</td>
<td>Level of education</td>
<td>Nominal</td>
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<td></td>
<td>Professional status</td>
<td>occupation</td>
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</tr>
<tr>
<td>To establish the impact of quality of service on the choice of telecommunication network in Kenya.</td>
<td>Quality of service</td>
<td>Customer satisfaction</td>
<td>Level of satisfaction</td>
<td>Ordinal</td>
<td>Descriptive</td>
<td>mean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer loyalty</td>
<td>Years of subscription</td>
<td>Nominal</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.8 Data Analysis Procedure

This whole process starts immediately after data collection and ends at the point of interpretation of the process results (Obure 2002). The analyses included data sorting, (rearrangements of data questionnaires to bring some order allowing systematic handling), data editing (reading through the filled questionnaire to spot any inconveniences and or errors which might have occurred during data collection), data cleaning, conducting final check on the data for accuracy, erroneous data completeness and consistencies to avoid going back to the original questionnaires too many times to collect errors while at the middle of analysis).

Both descriptive qualitative and descriptive quantitative methods were use to analyze the data. Descriptive statistics analysis was used for closed ended questions, this include use of measure of central tendency, frequency distribution tables, bar charts and pie charts and computer programs like Statistical Package for Social Sciences (SPSS). Content analysis was used to
analyze the views of the respondents that cannot be quantified. This was used for the open-ended questions where the respondents gave their own view and opinions.

3.9 Summary

This chapter details the research methodology of the study and covers research design used, target population, sampling technique applied, methods of data collection, research validity and reliability, operational definition of variables and lastly looks at data analysis procedure.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.1 Introduction

This chapter presents analysis of the data found on the factors that influence the people’s choice of telecommunication network in Kenya. This chapter focused on data analysis, interpretation and presentation. The researcher made use of frequency tables and percentages to present data.

4.2 Response Rate

The data targeted a sample of 100 respondents from which only 90 filled in and returned the questionnaires making a response rate of 90%. This response rate was good and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. The study also collected secondary data on the subject matter from the data at company records and internet.

4.3 Demographic characteristics of the Respondents

The respondents were asked to indicate their age bracket. The findings are shown in Table 4.1 below.

Table 4.1: Age bracket of the respondent in years

<table>
<thead>
<tr>
<th>Age bracket</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 -30</td>
<td>38</td>
<td>42.2</td>
</tr>
<tr>
<td>31 - 40</td>
<td>16</td>
<td>17.8</td>
</tr>
<tr>
<td>41 - 50</td>
<td>25</td>
<td>27.8</td>
</tr>
<tr>
<td>51 and above</td>
<td>11</td>
<td>12.2</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The study found that majority of the respondents were between 20-30 years as shown by 42.2%, 27.8% were aged between 41 – 50 years, 17.8% of the respondents were between 31 – 40 years, while a small proportion of respondents as indicate by 12.2% were 51 and above years old.

Table 4.2: Gender of the respondents

The respondents were asked to indicate their gender. The findings are shown in Table 4.2 below.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>42</td>
<td>46.7</td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>53.3</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the findings, the study established that the majority of respondents were female as shown by 53.3%, while males were 46.7%.

4.4 Price of mobile telecommunication service

The study was to determine the influence of price on people’s choice of mobile telecommunication network, in this regard the study looked at respondents’ type of subscription, how they rated their mobile provider in terms of price, whether their mobile provider gave discounts and bonuses, how often and the kind of offers and bonuses that their network providers gave.
Table 4.3: Respondent type of subscriber

The respondents were asked to give details about their type of subscription. The findings are shown Table 4.3 below.

<table>
<thead>
<tr>
<th>Type</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid</td>
<td>68</td>
<td>75.6</td>
</tr>
<tr>
<td>Postpaid</td>
<td>22</td>
<td>24.4</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

According to the findings, the majority of respondents were prepaid as shown by 75.6% of the respondents while a small proportion of respondents as indicated by 24.4% were postpaid. Majority of the respondents indicated that their network provider charge them three shillings for calls per minute while some said that they are charged one shilling. The respondents were further asked to indicate how much their network providers charge them for SMS on which they said that most are charged one shilling.

Table 4.4: Respondent rating of the pricing by the mobile provider

The subscribers were asked how they rated their mobile provider in terms of price. The findings are given on Table 4.4 below.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly priced</td>
<td>32</td>
<td>35.6</td>
</tr>
<tr>
<td>Moderate</td>
<td>46</td>
<td>51.1</td>
</tr>
<tr>
<td>Low</td>
<td>12</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>
From the study 51.1% of the respondents rated the pricing by the mobile provider as moderate, 35.6% of the respondents rated them as highly priced, while 13.3% of the respondents rated the pricing by the mobile provider as low.

Table 4.5: Whether the mobile provider gives discounts or bonuses

The respondents were asked to state whether their mobile provider gave discounts or bonuses. The findings are shown in Table 4.5 below.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>81</td>
<td>90.0</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>10.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the findings, 90% of the mobile providers give discounts or bonuses while 10% do not.

Table 4.6: Time that the mobile provider gives discounts or bonuses

The respondents were further asked the time that the mobile provider give discounts or bonuses. The findings are shown Table 4.6 below.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>28</td>
<td>31.1</td>
</tr>
<tr>
<td>Monthly</td>
<td>25</td>
<td>27.8</td>
</tr>
<tr>
<td>Festive season</td>
<td>37</td>
<td>41.1</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>
From the study findings, 41.1% of the mobile providers give discounts or bonuses during the festive season, 31.1% of the mobile providers give discounts or bonuses on a weekly basis while 27.8% of the mobile providers give discounts or bonuses on a monthly basis.

Table 4.7: Kind of offers or discounts that the mobile network provider give

The respondents were also requested to indicate the kind of offers or discounts that the mobile network providers give. The findings are shown Table 4.7 below.

<table>
<thead>
<tr>
<th>Kind of Offer/Discount</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free minutes</td>
<td>34</td>
<td>37.8%</td>
</tr>
<tr>
<td>Bonus airtime</td>
<td>30</td>
<td>33.3%</td>
</tr>
<tr>
<td>Bonus SMS</td>
<td>12</td>
<td>13.3%</td>
</tr>
<tr>
<td>Bonus data bundles</td>
<td>13</td>
<td>14.4%</td>
</tr>
<tr>
<td>Loyalty programs</td>
<td>1</td>
<td>1.1%</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From the results of the study, majority of the respondents (37.8%) reported that the mobile network providers give free minutes, 33.3% said they offer bonus airtime, 14.4% said they offer bonus data bundles, 13.3% said they offer bonus SMS while a small proportion of the respondents (1.1%) said that mobile network providers give loyalty programs.
4.5 Network Coverage

The study wanted to establish facts about different elements of the mobile network which included, the network subscribed by the respondents, duration of subscription, mobile provider for the respondents previous line, whether the respondents had lines from other providers and the rating of various aspects of the network.

Table 4.8: Mobile network subscribed to

The study also wanted to establish the mobile network that the respondents are subscribed to. The findings are as shown Table 4.8 below.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>YU</td>
<td>13</td>
</tr>
<tr>
<td>Safaricom</td>
<td>54</td>
</tr>
<tr>
<td>Airtel</td>
<td>17</td>
</tr>
<tr>
<td>Orange</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
</tr>
</tbody>
</table>

From the findings, a whopping 60% of the respondents were subscribed to Safaricom, 18.9% of the respondents were subscribed to Airtel, 14.4% of the respondents were subscribed to YU and only 6.7% of the respondents were subscribed to Orange.

Table 4.9: Duration that the respondent has subscribed to their current network provider

The study also required the respondents to indicate the duration that they had subscribed to their current network provider. The findings are shown Table 4.9 below.
According to the responses given, 53.3% of the respondents reported that they had subscribed to their current network provider for a period of 3-5 years, 38.9% said they had subscribed to their current network provider for 0-2 years while a small proportion of the respondents (7.8%) reported that they had subscribed to their current network provider for more than 9 years.

Table 4.10: Mobile provider from which the previous line was

The study also wanted to establish the mobile provider from which the respondents' previous line was. The findings are shown Table 4.10 below.

<table>
<thead>
<tr>
<th>Provider</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtel</td>
<td>24</td>
<td>26.7</td>
</tr>
<tr>
<td>Safaricom</td>
<td>40</td>
<td>44.4</td>
</tr>
<tr>
<td>YU</td>
<td>20</td>
<td>22.2</td>
</tr>
<tr>
<td>Telkom</td>
<td>6</td>
<td>6.7</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>
According to the study, 44.4% of the respondents reported that their previous line was Safaricom, 26.7% said it was Airtel, 22.2% said it was YU while 6.7% of the respondents said that previous line was Telkom.

Table 4.11: Whether the respondent uses lines from any other providers

The study also required the respondents to indicate whether they had a line from any other provider. The findings are shown in Table 4.11 below.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>16</td>
<td>17.8</td>
</tr>
<tr>
<td>No</td>
<td>74</td>
<td>82.2</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the results of the study, the majority of respondents as shown by 82.2% reported that they did not have a line from any other provider while 17.8% of the respondents said that they had a line from other providers. The respondents intimated that they have two lines to take advantage of the different peak hours, to enjoy various bonuses, for convenience purposes, to avoid congestion and for adventure.

Table 4.12: Respondent rating of various aspects of the network that they use

The respondents were asked to rate various aspects of the network that they use. The results are given Table 4.12 below.
According to the responses, the respondents rated all aspects: availability, reliability, clarity and stability as good as shown by a mean score of 1.5889, 1.9556, 2.2222 and 2.2444 respectively.

### 4.6 Customer Awareness

In the area of customer awareness, the study sought to find out the rating of the respondents usage of telecommunication products and services and the respondents professional status.

**Table 4.13: Rating of the respondents' usage of telecommunication products and services**

The respondents were also requested to indicate their priority in the usage of telecommunication products and services. The findings are given in Table 4.13 below.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice (making calls)</td>
<td>2.2889</td>
<td>1.13419</td>
</tr>
<tr>
<td>SMS</td>
<td>1.9444</td>
<td>.94049</td>
</tr>
<tr>
<td>Internet</td>
<td>2.2111</td>
<td>.95393</td>
</tr>
<tr>
<td>Money transfer</td>
<td>2.1111</td>
<td>.98807</td>
</tr>
</tbody>
</table>
According to the finding, the majority of respondents gave most priority to the use of SMS services as shown by a mean score of 1.9444, followed by money transfer as shown by a mean score of 2.1111, then Internet as shown by a mean score of 2.2111 and finally voice (making calls) as shown by a mean score of 2.2889.

The study wanted to establish the respondents top three best innovations by their mobile provider. From the findings, the three best innovations include money transfer, okoa jahazi and Internet.

**Table 4.14: Professional status of the respondents**

The respondents were asked to indicate their professional status. The findings are given in Table 4.14 below.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>22</td>
<td>24.4</td>
</tr>
<tr>
<td>Employed</td>
<td>40</td>
<td>44.4</td>
</tr>
<tr>
<td>Unemployed</td>
<td>22</td>
<td>24.4</td>
</tr>
<tr>
<td>Retired</td>
<td>6</td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

From the findings, the study established that majority of respondents (44.4%) were employed; those that were either student or unemployed were represented by a 24.4% in each case while 6.7% of the respondents were retired.
4.7 Quality of service

The study looked at the respondents rating of their mobile service providers in various categories, also sought to find out if they would continue using their service provider’s products and services and also if they would recommend their service providers to others.

**Table 4.15: Respondents rating of service provider in various categories**

The study also wanted the respondents to rate the service providers in various categories. The findings are shown Table 4.15 below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control standards</td>
<td>1.5667</td>
<td>.70392</td>
</tr>
<tr>
<td>Professionalism</td>
<td>1.9778</td>
<td>.70277</td>
</tr>
<tr>
<td>Customer service</td>
<td>1.7889</td>
<td>.89310</td>
</tr>
<tr>
<td>Customer service courtesy</td>
<td>1.9000</td>
<td>.76511</td>
</tr>
<tr>
<td>Service delivery</td>
<td>1.9667</td>
<td>.84068</td>
</tr>
</tbody>
</table>

From the study, the majority of respondents indicated that the companies were good at control standards as shown by a mean score of 1.5667, customer service responsiveness as shown by a mean score of 1.7889, customer service courtesy as shown by a mean score of 1.9000, service delivery as shown by a mean score of 1.9667 and professionalism as shown by a mean score of 1.9778.
Table 4.16: Whether the respondents are likely to continue using their service provider products and services

The study further inquired on whether the respondents are likely to continue using their service provider products and services. The findings are given in Table 4.16 below.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>66</td>
<td>73.3</td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>14.4</td>
</tr>
<tr>
<td>Maybe</td>
<td>11</td>
<td>12.2</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the results in the above table, the majority of respondents as shown by 73.3% agreed that they are likely to continue using their service provider products and services, 14.4% said they are not likely to continue using their service provider products and services, while 12.2% of the respondents were indifferent on this issue.

Table 4.17: Whether the respondents would recommend their mobile network providers to others

The respondents were asked to indicate whether they would recommend their mobile network providers to others. The findings are given Table 4.17 below.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>62</td>
<td>68.9</td>
</tr>
<tr>
<td>No</td>
<td>28</td>
<td>31.1</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

47
From the study, 68.9% of the respondents were likely to recommend their mobile network providers to others while 31.1% of the respondents were less likely to recommend their mobile network providers to others. The respondents added that the companies should focus on accessibility, add more boosters, ensure efficiency and availability all the time, improve on money transfer, reduce Mpesa service rates and introduce credit cash service.

4.8 Summary

This chapter concentrates on data analysis, presentation and interpretations of the findings. The analyses is build around the objectives of the study and the independent variables which are; price of telecommunication products and services, network coverage, customer awareness and quality of service.
CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents a summary of the data findings on the factors that influence the people’s choice of telecommunication network in Kenya. Based on the findings in chapter four, the study gives recommendations on what telecommunication companies’ management can do to improve their customer base. The suggestion for further research is also discussed. From the analysis and data collected, the following discussions, conclusions and recommendations were made. The recommendations are based on the objectives of the study.

5.2 Summary of Findings

The purpose of the study was to establish the factors influencing the people’s choice of telecommunication network. The variables on study were; price, network coverage, customer awareness and quality of service. 75.6% of respondents were prepaid customers. 60% of the respondents were subscribed to Safaricom network, Airtel had 18.9%, 14.4% were subscribed to YU and finally 6.7% were subscribed to Orange network.

Majority of respondents gave most priority to the use of SMS services, followed by money transfer then Internet and finally voice (making calls).

From the findings, the three best innovations include money transfer, okoa jahazi and Internet.

The respondents added that the telecommunication providers should focus on accessibility, add more boosters, ensure efficiency and availability all the time, improve on money transfer, reduce Mpesa service rates and introduce credit cash service.
5.3 Discussions of Key Findings

i) Price of mobile telecommunication services

Researchers have been requested to pay closer attention to issues of price fairness (Kung, et al., 2002) which help overcome negative responses of consumers induced by dynamic pricing. Consumers’ perception of price fairness has been known to significantly affect their reactions toward sellers (Kahneman, et al., 1986b). Kahneman et al. (1986a) showed that consumers’ purchase intention is determined by the perception of price fairness.

Based on previous findings, we expect the same positive relationship between perceived price fairness and purchase intention in dynamic pricing environment. The study found that majority of respondents were prepaid and their network provider charge them three shillings for calls per minute and one shilling for short message service (SMS).

Advertising and sales promotion seem to be very powerful ways for businesses to market their product and make it a powerful brand (De Chernatony and McDonald, 2003). The respondents rated the pricing by the mobile provider as moderate. On whether the mobile provider give discounts or bonuses, the study deduced that the mobile providers give discounts or bonuses mainly during the festive season and on weekly basis.

The study also established that the mobile network providers give free minutes, bonus airtime, bonus data bundles and bonus SMS. Whereas in the past, advertising seemed to be a much more effective way to market a business, today there appears to be widespread evidence of a switch of emphasis by marketers away from advertising and towards sales promotion (Keon and Bayer, 1986; Peattie and Peattie, 1995; Shultz, 1987).

The findings also correlate with Blattberg et al., (1981) who also observed that it appears that over the last half century, retailers have offered consumers periodic short-term price cuts – called
“deals” – on a regular basis. Moreover, previous studies have found that price fairness perception directly affects consumers’ purchase intention (Kahneman, et al., 1986b; Kalapurakal, et al., 1991; Martins and Monroe, 1994). For example, Maxwell (2002) showed that the negative perception of price fairness reduces consumers’ shopping intention.

ii) Mobile network coverage

The study established that most of the respondents were subscribed to Safaricom followed by Airtel then YU and finally Orange. The study also wanted to establish the duration that they had subscribed to their current network provider on which it established that most of the respondents had subscribed to their current network provider for a period of 3-5 years.

This is in line with Reichheld, (1993) who observed that the increase and retention of loyal customers has become a key factor for long-term success of the companies and that the main emphasis in marketing has shifted from winning new customers to the retention of existing ones. Valletti and Cave, (1998) also indicated that mobile operators frequently offer long-term contracts to consumers, thereby artificially creating lock-in.

Further most of the respondents reported that their previous line was Safaricom. The study also found that most of the respondents did not have a line from any other provider. However, those that had two lines to take advantage of the different peak hours, to enjoy various bonuses, for convenience purposes, to avoid congestion and for adventure. The study further deduced that availability, reliability, clarity and stability of the network used were good.

Previous studies (Aaker, 1999) demonstrated that both personal and situational factors positively influence attitudes toward a brand. Advances in information and communication technologies are
constantly changing the way people use and experience technology, which is ever more pervasive in consumers’ life (Temporal and Lee, 2001).

iii) Customer awareness

The study found that majority of respondents gave most priority to the use of SMS services, followed by money transfer then Internet and finally voice (making calls). The top three best innovations by their mobile provider include money transfer, okoa jahazi and Internet. On the professional status of the respondent, the study established that majority of respondents were employed.

iv) Quality of service

The study revealed that the companies were good at control standards, customer service responsiveness, customer service courtesy, service delivery and professionalism. Reichheld and Sasser (1990) hold that a satisfied customer will have greater customer loyalty, which suggests a much greater chance for repeat purchases in the future.

It was clear from the study findings that most of the respondents would recommend their service provider to others. The majority of respondents are likely to continue using their service provider products and services and were also likely to recommend their mobile network. These findings correlate with those by Palka et al., (2009) that providing users with a good experience will promote their continuance usage and generate positive word-of-mouth.
5.4 Conclusion of the Study

From the findings, the study concludes that;

i) Price influences the choice of telecommunication network in Kenya. It was revealed that the pricing by the mobile provider is moderate and that the mobile providers give discounts or bonuses mainly during the festive season and on weekly basis. It was also deduced that the mobile network providers give free minutes, bonus airtime, bonus data bundles and bonus SMS.

ii) The study also concludes that network coverage influences the choice of telecommunication network in Kenya. The study found out that most of the people were subscribed to Safaricom and that most of the people had subscribed to their current network provider for a period of 3-5 years. The study further deduced that availability, reliability, clarity and stability of the network used were good thus ensuring high level of customer loyalty.

iii) The study further revealed that customer awareness affects the choice of telecommunication network in Kenya. The study found that majority of respondents gave most priority to the use of SMS services, followed by money transfer then Internet and finally voice (making calls).

iv) The study also deduced that quality of service affect the choice of telecommunication network in Kenya. The study revealed that the companies were good at control standards, customer service responsiveness, customer service courtesy, service delivery and professionalism. It was clear that most of the respondents would recommend their service provider to others and are likely to continue using their service provider products.
5.5 Recommendations

1) Since price promotions have been shown to be effective in customer attraction and retention, the study recommends that the companies should give the various offers and bonus more frequently to achieve a competitive edge.

2) Network coverage is a key antecedent in effective communication, companies having the problems of clarity and congestion should address them in order to retain and attract more customer through word of mouth advertising.

3) The study also deduced that customer awareness is a key determinant of the choice of Telecommunication Network in Kenya therefore; the players in the telecommunication industry should put more effort in educating the public about their products and services.

4) The study found that customers pay more attention to services than to products. When products make little difference, a supplier that increases its customer satisfaction through service quality will improve overall approval ratings. Mobile service providers need to enhance system quality and information quality to further improve user experience and loyalty. Further, mobile operators should work to realize customer value, raise customer satisfaction, and consolidate customer loyalty to improve their business performance effectively.

5.6 Areas for Further Research

The area for further research should be effect of marketing strategies on customer acquisition and retention in the telecommunication industry in Kenya.
REFERENCES


Aoki, K. and Downes, E.J. (2003), An analysis of young people’s use of and attitudes toward cell phones, Telematics and Informatics, Vol. 20 No. 4, pp. 349-64.


APPENDICES

APPENDIX I: INTRODUCTORY LETTER

University of Nairobi, College of Education and External Studies, Faculty of External studies, Kikuyu P. O. Box 92 - Kikuyu, Kenya

To whom it may concern

RE: Collection of data

I am a post graduate student at the University of Nairobi, school of continuing education.

In order to fulfill the degree requirements I am undertaking a project on factors influencing the choice of telecommunication network.

You have been selected to form part of the study, this is to kindly request you to assist me collect the data by filling out the accompanying questionnaire.

The information you will provide will be used exclusively for academic purposes.

I assure you that the information you will give will be treated with utmost confidence

Your cooperation will be highly appreciated

Thank you in advance.

Yours faithfully,

Eunice Macharia

L50/77440/2009.
APPENDIX II: RESEARCH QUESTIONNAIRE

Factors influencing the choice of Telecommunication Network in Kenya

SECTION A: General information (Tick where appropriate)

1) Your age bracket in years
   20 -30 [ ] 31 – 40 [ ]
   41 – 50 [ ] 51 and above [ ]

2) Gender
   Female [ ] Male [ ]

SECTION B: Price (Tick where appropriate)

3) What type of a subscriber are you?
   Prepaid [ ] Postpaid [ ]

4) How much does your network provider charge you for calls per minute?

5) How much does your network provider charge you for SMS?

6) In a scale of 1-3 where 1 is highly priced, 2 moderate and 3 low how would you rate the pricing by your mobile provider? [1] [2] [3]

7) Does your mobile provider give discounts or bonuses?
   Yes [ ] No [ ]

8) If yes when?
   Weekly [ ] Festive season [ ]
   Monthly [ ]

9) What kind of offers or discounts does your mobile network provider give?
   a) free minutes [ ]
   b) bonus airtime [ ]
   c) d) Bonus data bundles [ ]
   e) Discount on handsets [ ]
SECTION C: Network Coverage (Tick where appropriate)

10) Which mobile network are you subscribed to?
   - Airtel
   - Telkom
   - Safaricom
   - Orange
   - YU

11) For how long have you subscribed to your network provider?
   - 0-2 years
   - 3-5 years
   - 6-8 years
   - More than 9 years

12) From which mobile provider was your previous line?
   - Airtel
   - Telkom
   - Safaricom
   - Orange
   - YU

13) Do you have a line from any other provider?
   - Yes
   - No

14) If you answer in 13 above is yes, why do you have two lines?

15) How would you rate the following aspects of the network that you use?

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Dissatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarity</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
SECTION D: Customer Awareness (Tick where appropriate)

16) In a scale of 1-4 where 1 has the most priority, how would you rate your usage of telecommunication products and services?

a) Voice (making calls) [ ] [ ] [ ] [ ]
b) SMS [ ] [ ] [ ] [ ]
c) Internet [ ] [ ] [ ] [ ]
d) Money transfer [ ] [ ] [ ] [ ]

17) Which are your top three best innovation by your mobile provider

- 
- 
- 

18) What is your professional status?

Student [ ] Unemployed [ ]
Employed [ ] Retired [ ]

SECTION E: Quality of service (Tick where appropriate)

19) How would you rate your service provider in the following categories;

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Unsatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionalism</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>responsiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>courtesy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20) Would you recommend your service provider to others?

Likely [ ] Less-likely [ ]
21) Are you likely to continue using your service provider products and services?
   Yes □    No □    Maybe □

22) Would you recommend your mobile network providers to others?
   Likely □   Less-likely □

23) Additional Comments and suggestions.

........................................................................................................................................................................
........................................................................................................................................................................
........................................................................................................................................................................

Thank you for your participation!
THE ROLE OF CONTACT CENTRES IN IMPROVING CUSTOMER SERVICE IN KENYAN CORPORATES: A CASE STUDY OF SAFARICOM LTD

BY: ORUTA DAVIN KWAMBOKA
K50/7401/2006.

RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF JOURNALISM AND MASS COMMUNICATION IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN COMMUNICATION STUDIES OF THE UNIVERSITY OF NAIROBI.
DECLARATION

I, Davin Kwamboka Oruta, do hereby declare that this research project is my original work and has not been submitted for a degree in any other university.

Signature: [Signature] Date: 12th Nov 2012

This project has been submitted for examination purpose with my approval as the university supervisor.

Signature: [Signature] Date: 14/11/2012

Mr. Michael Ochula
Lecturer, School of Journalism and Mass Communication
DEDICATION

I would like to dedicate my work to my family, husband Sadik Webale, sons Jamal and Salim for their support and prayer during the time I spent to conduct this research. I thank them for their patience during this time. I also dedicate this to my mother Mrs. Yunes Kerubo Oruta for her patience and understanding that I could not spend more time with her when I was carrying out my research.

Most of all my dedication is to Allah S.W for His mercies and gift of life.
ACKNOWLEDGEMENT

I would like to acknowledge everyone who has played a role in supporting me complete my project. It was challenging handling my school, work and family.

First of all I would like to thank Orutwa Nyakang’o who is a former classmate and colleague for all his support.

Secondly I would like to acknowledge my supervisor Michael Ochula for his guidance and support, without him this would not have been possible.

Lastly, to my family for their understanding when I spent sleepless nights.
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<thead>
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<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>ACD</td>
<td>Automatic Call Distributor</td>
</tr>
<tr>
<td>ARPU</td>
<td>Average Revenue Per User</td>
</tr>
<tr>
<td>CCK</td>
<td>Communication Commission of Kenya</td>
</tr>
<tr>
<td>CMC</td>
<td>Computer Mediated Communication</td>
</tr>
<tr>
<td>CRM</td>
<td>Customer Relationship Management</td>
</tr>
<tr>
<td>CTI</td>
<td>Computer Telephony Integration</td>
</tr>
<tr>
<td>FCR</td>
<td>First call resolution</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GSM</td>
<td>Global System for Mobile Communications</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IVR</td>
<td>Interactive Voice Response</td>
</tr>
<tr>
<td>KES</td>
<td>Kenya shillings</td>
</tr>
<tr>
<td>KP&amp;TC</td>
<td>Kenya Posts and Telecommunication Corporation</td>
</tr>
<tr>
<td>LTD</td>
<td>Limited</td>
</tr>
<tr>
<td>MMS</td>
<td>Multi Media Service</td>
</tr>
<tr>
<td>NSE</td>
<td>Nairobi Stock Exchange</td>
</tr>
<tr>
<td>PABX</td>
<td>Private Automated Business Exchanges</td>
</tr>
<tr>
<td>SBR</td>
<td>Skills Based Routing</td>
</tr>
<tr>
<td>SLA</td>
<td>Service Level Agreements</td>
</tr>
<tr>
<td>SMP</td>
<td>Significant Market Power</td>
</tr>
<tr>
<td>SMS</td>
<td>short messaging service</td>
</tr>
<tr>
<td>SMSC</td>
<td>connecting either directly to the Short Message Service Centre</td>
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ABSTRACT

In the Corporate Industry in Kenya maintaining or growing market share has become a difficult task. Competitors are chasing the same customers in a turbulent business environment. The ability to provide an excellent customer experience has become the only way for competitors to differentiate themselves. The purpose of this study was to examine the role of the contact centres in the Kenya Corporate world. Specifically, the study sought to examine the processes the business employs in improving customer service; to review the services that contact centres offer to their customers and lastly establish factors that leads to improved customer service within Contact Centres.

The study adopted descriptive design. The population of the study comprised of Safaricom customers in Nairobi and contact centre managers. The study used primary data which was collected through structured questionnaires. Questionnaires were administered to both the Safaricom customers in Nairobi and the contact centre managers. The study applied both qualitative and quantitative designs to collect data. SPSS software was used to aid in analysing data. The analysed data was presented in tables and charts.

The study found out that most of the customers were satisfied by the information offered in the contact centres since it was clear and complete and that the persons who assisted them were helpful. The agents made them feel important whenever they contact them and that they were always helpful. The agents were also able to understand their request and they were polite and friendly. The study found out that accessibility to the call centre was a challenge since most customers took long before they got through. The study also revealed that Safaricom has invested in technology to improve its customer service. The study concludes that Safaricom customer service has been helpful in solving customers’ queries.
CHAPTER ONE

1.1 BACKGROUND

According to NAQC (2010), a call centre is defined as a place where contacts are made and received. It is often termed as the front door to a business and is the place where most crucial customer interactions take place. Its therefore effective and efficient operation is a key ingredient to the overall success of any organisation. The definition of a call centre increasingly includes mention of the handling of various types of interactions in addition to telephone calls. Therefore, some individuals and organisations use the term “contact centre” to refer to the place where these transactions take place. The terms “call centre” and “contact centre” are used interchangeably, with “call centre” being the most commonly used. The term “call centre” best represents the current proportion of interactions that are carried out by telephone versus other contact channels, such as e-mail or Web chat (NAQC, 2010).

According to a web journal by Derek et al.; (2011), (http://www.callcentrehelper.com/the-history-of-the-call-centre-15085.htm), the call centre is shrouded in a creation myth. Namely that call centres originate from the Automatic Call Distributor developed in 1973 by a US firm Rockwell (the Rockwell Galaxy) to allow Continental Airlines to run a telephone booking system. Rockwell did indeed develop their ACD in 1973 and it was installed that year. But it certainly was not the first. Rockwell’s claim to the first ACD installation may be inaccurate, but they were certainly amongst the first and most successful manufacturers.

But the basic features of the modern call centre can be recognised almost ten years before this, in the mid-1960s when Private Automated Business Exchanges (PABX) began to be used to handle large numbers of customer contacts. Clearly the computer technology - Automatic Call Distributor- and its development is closely linked to that of the call centre. ACD systems allow calls to be filtered and assigned to the best possible agents available at
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the time. An algorithm determines which agent receives which call. The invention of ACD technology made the concept of a call centre possible. Essentially it replaced the human operator with a far more flexible automated system capable of handling much greater numbers of calls.

The first ACD systems would probably have emerged in the 1950s to handle central operator enquiries at the main telephone companies. To date there has not been any concrete history of the evolution of call centres. By the early 1970s PABX systems were beginning to include ACD technology, allowing the development of large-scale call centres. Throughout the late 1970s and 1980s technological advances consolidated the importance of call centres to business.

1.1.2 CALL CENTRE TO CONTACT CENTRE

From the early nineties there has been a gradual adoption of internet and GSM services among the general public. Consequently the web and mobile telephony have availed to customers other channels through which they could make inquiries without necessarily relying on the traditional telephone call. Now email, SMS, MMS, Chat, Social media and snail-mail are the various other medium through which customers interact with their service providers. As a result the definition of call centre has been expanded to encompass all these other channels. In view of this the two terms will appear interchangeably in this paper without significantly altering meaning.

1.1.3 CONTACT CENTRES IN KENYA

Being a British colony, Kenya's technological advances borrowed heavily from the British. And in this case the earliest example of a call centre we can find in the country is probably the KPTC-Kenya Posts and Telecommunication Corporation. The Kenyan postal service has its origins in the mail system created by Britain, the colonial power, to serve sub-Saharan

Kenya gained independence in 1963. In 1977, the government controlled Kenya Post and Telecommunications Corporation (KP&TC) emerged as the country’s national postal and telephone service provider after the demise of the East African Union and its regional postal service East Africa Post and Telecommunication Corporation. KP&TC’s telecom arm was separated from the postal wing in the late 1980s, and in 1999 KP&TC was officially split into the Postal Corporation of Kenya, the Communication Commission of Kenya (CCK), and Telkom Kenya, later partly privatised by sale to France Telecom (Orange) and it still remains the sole provider of landline phone service. KP&TC therefore qualifies as the earliest call centre operator in the country.

As websites became the central point of contact and sales for an increasing number of companies, call centres were essential in dealing with customer service and technical support. In 1996 Kenya Shell started their Call Centre that was handling oil orders from its dealers.

Specific to the telecommunication industry, in July 2000, Kencell Communications Ltd (now Bharti -Airtel) became the first mobile phone company to start a mobile telecommunications call centre. Kencell Ltd was owned 40% by a French Telcom, Vivendi and 60% Sameer, Kenya. It was closely followed by Safaricom in September of the same year which was owned by TelkomKenya 60% and Vodafone U.K 40%. Others companies have followed thereafter including all the major banks. There may have been other help desks and or call centres set up by other large and small organisations in Kenya over the years to explain products and or receive complaints i.e. the Exchanges run by TelkomKenya. The banks have over time followed suit to set up their own call centres that help them do outbound calling as
well as receive inbound calls and other interactions like email.

The Safaricom call centre started in September 2000 with 63 staff housed at the original Safaricom House. The Call Centre was started by a team of staff seconded from the Contact Centre of Greece GSM Telecommunication Panafon which is today Vodafone Greece. At the time the call centre did not have a highly advanced contact centre infrastructure like it has today but it had a ACD from Nortel with two E1s that had only 62 channels into the call Centre which could route calls to the next available agent thus first in, first out. In fact the Nortel call routing and distribution system could only handle 62 calls concurrently.

The management structure at the time consisted of three Team Leaders and one Customer Service Manager. The structure and complexity of this call centre has grown to the extent that it now employs 1400 staff, has a CRM that is scalable, an ACD that is capable of SBR whose developed IVR now resolves customers’ issues through self-service. It has over 2,800 channels to the contact centre via IVR. On a typical day the contact centre handles over 100,000 interactions of which 80,000 are voice calls both inbound and outbound, SMS, social media and email correspondence. The facility is so complex that it offers customers Call Back and other services that will be discussed in later chapters. The customer calls to the contact centre are free of charge and the company absorbs the cost per call which stands at KES.70.

In terms of business administration, management and marketing, the call centre is a relatively new phenomenon (As-Saber et al., 2004). However, since its emergence in 1980s, the call centre industry has expanded rapidly (Taylor and Bain, 2004). Almost two-thirds of worldwide customer contacts are now carried out by call centres (Day, 2000). Successful call centres are focused on efficient operation, and customers’ and shareholders’ value creation and optimisation. The efficiency, in this regard, lies not only in effective and
prompt responses to customer calls, but also on originality, high skills and precision in setting up and implementation of organisational goals and strategies (As-Saber et al., 2004; Brown & Maxwell, 2002; Deery & Kinnie, 2002; Holman, 2003).

1.1.4 SAFARICOM LTD

Listed telecommunications operator Safaricom Ltd has independently been proved to be a dominant mobile telephone operator on the basis of its high and enduring market shares, high barriers to entry and customer lock-in. According to the findings by PriceWaterHouseCoopers London, (2011). Safaricom has a Significant Market Power (SMP) in the retail mobile voice market. The researchers further found that Safaricom engages in on-net/off-net differentiation, which it uses to further entrench its high market share and dominance, to the detriment of competition and consumers. The study notes that on-net/off-net price differentials are a strategic device which lead to customer lock-in due to network/clubbing effects. Subscribers will prefer to stay with/join the larger network, in order to take advantage of relatively low on-net prices as compared with the off-net prices of entrants. Safaricom remains market leader with 65% of total mobile subscribers according to the latest CCK 2012 quarterly statistic. (www.cck.go.ke).

1.2 PROBLEM STATEMENT OF THE STUDY

Achieving growth in the mobile telecommunication industry is becoming increasingly difficult. In this sector maintaining or growing market share has become an arduous task. There is indeed evidence of increasing operational costs as well as capital costs in the industry. For the telecommunication companies, a decrease in ARPU has made players seek innovative ways to acquire, service and retain customers. One of the key things the players have deployed is launching complex contact centres that are designed to handle all prospective customer enquiries, complaints and other information.
With many competitors chasing the same customers with the very same products, communications industry players must differentiate their business, reach customers likely to respond to new sales opportunities or make the most of their valued staff. This is partly being achieved through contact centres. In fact, the ability to provide an excellent customer experience may become the only way for competitors to differentiate themselves in the commoditised market and may ultimately determine the new winners and losers.

In today’s competitive market, contact centres are an even greater strategic asset for survival and have to go the extra mile to deliver value. Contact centres are a way to improve the quality of customer service to help differentiate themselves. Fundamental customer service goals that should be delivered by today’s contact centre include cross-selling and up-selling more products and services by understanding customer needs and running more cost efficient operations by increasing agent productivity.

Furthermore, contact centres are now considered a key instrument in changing the public’s perception of a company, creating a great customer experience and executing on the business goals of the company as a whole. The contact centre often manages customer interactions from start to finish, providing a good basis to test interactions in their entirety. The contact centre is also a data-intensive environment, where most interaction attributes can be tracked and monitored in a controlled fashion. In this sense, companies should look to the contact centre as an ideal ‘test bed ‘ for customer focused initiatives. Companies can test concepts and programs, fine tune them, quantify their benefits, and make cases for their wide-spread adoption throughout the enterprise.

Clearly the companies setting up contact centres have a business case that justifies allocation of huge sums of money and other resources. Academically not much has been written in the way of how these centres operate, what challenges they face and if indeed they are meeting
their set objectives at least from the management and customer perspective. This research therefore sought to understand from both the customer and management perspective the value contact centres are adding. This study set out to accurately describe the role of contact centres in meeting customer expectations. Reason being that the continued growth in both the economic importance and complexity of contact centres has prompted the government of Kenya to declare BPOs (significantly represented by contact centres) as one of the key pillars for its 2030 vision. This therefore called for investigation of their operations and a better understanding of the role they play as seen from sound scientific investigation.

1.3 GENERAL OBJECTIVE OF THE STUDY

The general objective of the research study was to examine the role of the contact centres in the corporate industry.

1.3 SPECIFIC OBJECTIVES OF THE STUDY

The specific objectives included:

i. To examine the processes the business employs in improving customer service.

ii. To review the services that contact centres offer to their customers.

iii. To establish factors that lead to improved customer service within Contact Centres.

1.4 RESEARCH QUESTIONS

The following questions guided the study:

i. What processes are used to improve customer service in the contact centre?

ii. What services does the contact centre offer?

iii. What factors lead to improved customer service in the contact centre?
1.5 JUSTIFICATION OF THE STUDY

Today, more than ever before, the ability to maximise customer loyalty through close and durable relationships is critical to the mobile telecommunications' ability to grow their businesses. As mobile telecommunication sectors strive to create and manage customer relationships, several emerging trends affect the approach and tools they employ to achieve sustainable growth. These trends reflect a fundamental change in the way mobile telecommunications' industry interact with the customers they have and those they want to acquire. The contact centre industry is a relatively new in Kenya. Only telecommunications and banking industries among other very few organisations are now providing customer service and support via contact centres. Contact centres do not exist for the customer to physically interact with, apart from via the telephone, Social media, SMS, email, chat. (Financial Post, 2010).

There is little doubt call centres continue to grow in importance, given they are the prime human contact point for most telecommunication firms' customers. However, the real challenge is whether the customer experience and expectations match the goals of setting up contact centres by the telecommunications industry. Since contact centres are increasingly becoming the only point of human interaction for many customers, the importance and value of those interactions is increasing. How the call is handled, the knowledge and skill level of the contact centre agents would determine a number of outcomes from a customer service perspective. In fact, the ability to provide an excellent customer experience may become the only way for competitors to differentiate themselves in the commoditised market and may ultimately determine the new winners and losers.

Customers' experience and familiarity with multiple channels and methods of communication is rapidly increasing. Within the past decade, e-channels went from nerd-niche to general usage. Mobile phones went from a business luxury to a must-have for everyone from children
to the elderly. The mix of interaction technologies would only grow in complexity and sophistication going forward. Knowledge of customer-focused programs at large companies have permeated the minds of consumers. Customers know their value to companies, and hold their providers to the standards they proclaim.

Call centres are being recognised as having more strategic value than they were two to three years ago. The key driver is the desire to provide better customer service and experience. The modern thinking is that contact centres are a complementary channel - a channel of value which really means that you need to start getting into the sales space. Executives finally understand that contact centres are about a lot more than simply where an organisation takes phone calls. This is the point at which customers are deciding whether you are providing good or bad customer service.

Call centres and their contemporary successors, contact centres, have become a preferred and prevalent means for companies to communicate with their customers. Most organisations with customer contact centres, private companies, as well as government and emergency services have reengineered their infrastructure to include from one to many call centres, either internally managed or outsourced. For many companies, such as airlines, hotels, retail banks, and credit card companies, call centres provide a primary link between customer and service provider. For this study, the big question therefore is, are contact centres the primary link between customers and their service providers.

1.6 SCOPE OF THE STUDY.

This study sought to examine the role of the contact centres in the corporate industry. The study was concentrated in Safaricom Ltd, a leading telecommunication company in Kenya. Safaricom Ltd has established a state-of-the-art contact centre to serve its customers
efficiently and improve service delivery; hence it stood out as the best case study to achieve the objectives of this study.

The study targeted Safaricom Ltd customers and managers based in Nairobi only. Stratified random sampling technique and purposive sampling were adopted to identify the cases in the study. Both secondary and primary data were used in this study. Secondary data was obtained from journals, articles, books and companies' websites while primary data was collected from the respondents using structured questionnaire. The findings for the study were presented based on the research questions.

1.7 SIGNIFICANCE OF THE STUDY

Mobile Telephone Company Service Providers

Findings from the study would offer insights to the mobile telephone company service providers about gaps in their processes as seen from customer prism. Other likely beneficiaries of this endeavour may include many of the blue chip companies in Kenya and East African region and public service institutions plus the public service.

To the Banks

This study was of critical importance to the management of banks. Today's turbulent environment requires creation of a sustainable competitive advantage through improved customer service which can be enhanced through contact centres. This study will be useful as a reference to improving customer relations and how effective this can be implemented through contact centres.
To Other Companies

The study will be of great importance especially to other service providing companies in various sectors, who are yet to set up contact centres. This study explains how effective call centres implement and benefit from CRM. The expected benefits include a better understanding of best practices and benchmarks on customer service and general understanding of customer needs. This obviously would go a long way in helping them improve on their processes to better offer service to their customers.

This investigation will form a starting point in gaining deep insights on the role contact centres can and would play in Kenya and the East and Central African region and how this would feed into the 2030 vision. Most importantly it might open new ground and form a basis for further research on the relevant principles, practice and theory underlying this industry. This would therefore contribute to the advancement of knowledge.

To Researchers and Scholars

The study findings were expected to arouse curiosity to researchers and scholars on the role of the contact centres in the corporate industry. Further, the study findings were expected to contribute to the global knowledge on the benefits of contact centres to corporate, and their contribution to customer service management and lastly, establish the factor that has led to improved customer service within Contact Centres.

1.8 DEFINITION OF KEY TERMS

The following definition of terms will be restricted to this study.

Communication—According to Losee (1999) communication is the process of sharing our ideas, thoughts, and feelings with other people and having those ideas, thoughts, and feelings
understood by the people we are talking with. According to Losee, when we communicate we speak, listen, and observe.

Computer Mediated Communication— According to December (1997) "Computer-Mediated Communication is a process of human communication via computers, involving people, situated in particular contexts, engaging in processes to shape media for a variety of purposes."

Automatic Call Distributor (ACD) - According to Klenke (2004) ACD is the central piece of technology used in a call centre. It answers the call and distributes it either to the longest-idle agent or by some skill-based routing definition. It captures all kinds of information about the calls, including blockage and delay times while waiting on a live answer, average handle time, hold times, after-call work, abandon rates, and more.

Interactive Voice Response (IVR) - According to Klenke (2004) this is a voice-processing technology provides an automated menu to callers to either complete a self-service transaction or to route a call as directed by menu choices. Reports are available showing use of menus, exit points, etc.

Customer prospecting - According to Reinartz and Kumar (2003); this refers to all the various means employed in business to track, locate, and attract new customers.

Customer Relations Management (CRM) - According to Atul and Sheth (2002), Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organisation to achieve greater efficiencies and effectiveness in delivering customer value.
Customer satisfaction - According to SQM (2005), this refers to an individual's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations.

First call resolution (FCR) - According to Stephen and Michael (2008) FCR is the percentage of the calls that does not require any further contacts or call-backs to address the same customer's reason for previously calling.

Service quality - According to Mohr (1997) service quality is a broader marketing concept because it includes consideration of various service attributes, ranging from future expectations; Value: quality/price; Excitement, surprise, and delight; Fast response; Delivery of solutions; and Consistency: defect and error-free.

1.9 THEORETICAL FRAMEWORK

This study was anchored on media richness theory and computer mediated theory. Media Richness Theory was first investigated by Daft & Lengel, 1984. The theory states that communication can occur by various means, each with varying degrees of richness (Daft & Lengel, 1984). Briefly, their model suggests that there is an optimal fit for the information richness required of a task and the media chosen to mediate that task. Using media richness theory, McGrath and Hollingshead (1993) developed a grid of task and media fit to explain the moderating effect of task type on media richness and performance. Computer Mediated Communication (CMC), meaning email, whether one-to-one or one-to-many, e-mail-based discussion lists, bulletin boards, computer conferencing environments, and the growing number of Web-mediated manifestations of these types of communication.

Computer Mediated Communication (CMC), tools may be classified based on representation modes and interaction modes. Representation modes indicate the way communication tools may be used to present information, such as images, text, audio, and other media. Interaction modes indicate how people interact with others depending on the characteristic of the
communication tools — conventionally, synchronous or asynchronous, symmetric or asymmetric. The basic communication model presumes that senders and receivers cooperate to create the communication (or information) and in so doing accomplish various outcomes (Haslett, 1987).

These theories were relevant to this study due to the fact that the service process at most call centres takes place over multiple stages.
CHAPTER TWO

2.0 LITERATURE REVIEW

The literature review consists of three main parts. First the review touched on the components of customer service. The second part looked at some of the challenges experienced in delivering customer service. Lastly, the possible ways to meet these challenges.

2.1 CONTACT CENTRE TECHNOLOGY AND OPERATIONS

Contact centres are quickly becoming the major point of contact for serving customers and generating new revenue in a variety of industries. Nowhere in this growth is the importance of contact centres more apparent than in the financial services, Airlines and telecommunication industries. Financial institutions and telecommunication industries are in the midst of major changes in the choice and investment in delivery channels. Contact centres, which had previously been viewed as little more than lower cost channels for customer problem resolution, are quickly becoming a powerful means of service delivery with a potential for substantial revenue generation.

As-Saber, et al., (2004) revealed that the use of call centres by the business community has become a common phenomenon in developed and developing countries. They revealed that the contact centre industry has experienced phenomenal growth worldwide. On the other hand, ADBI (2007) stated that contact centres provide fast, efficient and relatively cheaper business solutions to business enterprises in managing their day-to-day activities. These centres utilise ICT components that enable employees to receive inbound and make outbound calls using automatic call distributors (ACDs) or predictive dialling systems (Taylor and Bain, 1999). Call centres are increasingly using the VoIP (Voice over Internet Protocol) network to combine both the voice network (traditional telephone network) and data network into one integrated network for all communication needs (The Contact, 2005).
As call centre activities range from mere response to a simple query or information dissemination to the delivery of a complex business solution, the operators may also need to rely on the live portals of the organisation including intranet with specialised access to classified information on key service areas of the organisation. It often complements email communication, web portals and various web-based service provisions. From a citizen’s perspective, it adds some human involvement that reassures citizens of the authenticity and effectiveness of the web-based service provisions.

New technologies and application of new technologies, including the use of IP-enabled contact centres, voice recognition, and sophisticated routing drive change from the bottom-up. Leading edge companies understand the current technology opportunities and leverage them to obtain their customer and cost reduction goals. The need to integrate channels, including the contact centre, web, IVR, kiosks, and the retail branch becomes more important as customers demand more choices and companies look for ways to increase usage of lower cost self-service channels. Channel integration delivers multiple benefits, including improving customer experiences, building more efficient processes, gathering better data, and reducing redundant or wasteful business operations (Burgess and Connell, 2004).

In the end of year report 2012, Safaricom reported that they had continuously enhanced the engagement and relationship building with the customers through creating diverse channels for them to access them. These include voice, walk-in, SMS, email and social media platforms, which has resulted into a remarkable improvement in the way their customers have been able to access them. The report revealed that the customers provided the company with good feedback on the services through direct interaction and periodic research surveys. This has helped Safaricom to continuously improve the product and service offering during the financial year. They further reported that they had revamped their Interactive Voice Response
(IVR) and simplified the options while increasing the content available to the customers which is accessible in both English and Kiswahili. On overall, the customers rated the IVR well on general satisfaction and clarity of the instructions provided (Safaricom Annual Report, 2012).

Starting with the minimum requirement of using telephones, call centre activities may extend to include the use of the internet through the use of e-mail and VoIP. Call centres, as communication networking hubs of business, cover functions ranging from telemarketing in an outbound context to acting as help desks in an inbound context (Kinder, 2001). Butler (2004) kept the notion of call centre ‘as customer contact centres, customer support centres, helpdesks, and derogatorily, as cost centres’, without distinguishing between the inbound and outbound contexts of call centres. Call centres are also increasingly using the short messaging service (SMS) to receive queries and feedback and also to provide basic information to clients.

Burgess and Connell (2004) argue that one of the main forces behind the wide adoption of call centres is the flexible nature of their operation. Its use has evolved from internal business re-organisation which is adaptable to both public and private sector operations, in both market and non-market activities (Burgess and Connell, 2004). According to Stahl (2005), call centres increase the efficiency and profitability of business.

Butler (2004:126) argues that the ‘call centre’s main focus is about the people working there and the people being served, not the technology’. Sharp (2003) argued for the enhancing the value of the workforce in call centres through training and other incentives, as he found out that 70% to 80% of total operational expenses in call centres were due to personnel-related costs. Considering the labour costs associated with call centre operations and developing countries’ accessibility to cheap labour, it could be argued that using call centres would not
involve huge cost. It would rather increase efficiency and save costs by reducing the need for face-to-face service provision. Call centre performance could be enhanced through training, employment security, electronic performance monitoring and a good pay level (Batt& Moynihan, 2004:37).

Adria and Chowdhury (2004) argue that in the design, implementation and maintenance processes of call centres, centralisation should be an important consideration to ensure service quality and support operations. Dean (2002) observes that ‘both service quality and perceived customer orientation of call centres affect customer loyalty to the providing organisation. Kinder (2001) is of the opinion that transactions in call centres are five times cheaper than paper-based transactions while the cost is ten times higher than that in Internet-based transactions. Costs in call centres arise from equipment and telecommunication charges, property-related charges and the salary of staffs. In selected European cities, 58% of the cost of call centres is on staffing, 7.5% on property and rest is for the use of technology.

Safaricom has utilised technology by commissioning an IP based infrastructure in October 2010. This has helped integrate its workforce, ACD and quality management system profile. The system’s flexibility has led to discussions around home based agents, multi-site centres for business continuity and increased staff motivation. This will ultimately decrease the cost of operations with reference to home based agents that may lead to cost cuts in remuneration of up to 50%.

The gap on internal quality audits on service vis a vis the feedback from customers has been closed with a feedback/survey loop integrated within the IVR as feature of post call feedback. This has been instrumental in rapid response initiatives especially to seal notable knowledge gaps in new products and services.
CRM integration has been made possible with this infrastructure due to its scalable feature. With the CRM, it’s possible for an agent to identify all registered customers by name. This has been possible with the CRM system which has been integrated with all other systems that hold customer information.

2.3 CHALLENGES FACING CONTACT CENTRES

Businesses must recognise that customers are core to their success. This is because both academic and industry researchers have proven that every business’s success depends greatly on the effectiveness of such companies in positively managing its relationships with the current and potential customers (SQM, 2007; Brady, 2001; Berry, 1995 &1983). As a result many organisations are orienting their employees into customer-centric practices (Dean, 2009; 2007; 2004; McNally, 2007; Sin et al., 2005; Roland and Werner, 2005; Kohli et al, 1993; Narver & Slater, 1990).

Efforts to understand how managers could effectively establish and maintain long term positive relationships with their customers have led to a relationship paradigm shift where more emphasis is laid on directing all activities towards the establishment, development and maintenance of successful relational exchanges between an organisation, its customers and suppliers (Aihie & Bennani, 2007; Gummesson, 2004; Berry, 1995). This concept of relationship interfaces is centred on where and how individuals and organisations exchange information whether internally or externally (Berry, 1983). It empirically means an organisation’s ability to get in touch with both the internal and external customers in a responsive and flexible manner.

This exchange of interactions to a large extent is possible through the multiplicity of touch points - telephone, SMS, email, social media and visits to the retail halls. Safaricom has a fair
footprint countrywide in terms of retail stores but a large one for dealer presence. However Safaricom’s share of inbound and outbound calls is by far the biggest in the region.

In practice, it has been observed that there is a wide gap between what organisations do, and what is most desirable for them to do (McNally, 2007; Gummesson, 2004; Ford, 1980). Industry reports have established the importance of customer relationship management in marketing activities, specifically in the customer contact centres where it has helped in digitalising staffs’ knowledge about customers’ critical information through computer telephony integration (CTI), fax, email, web chatting etc (Dean, 2009; 2007; Sin et al., 2005; Yim et al., 2005; Roland and Werner, 2005). The same industry data reveals critical issues that affect call centres such as poor technology, shortage of skilled labour, high abandonment rate, high average speed of answer, low first call resolution, low quality assurance program, employee job dissatisfaction, high attrition rate, high cost of operations, and customer dissatisfaction (Callcentre.net, 2008; 2003).

Safaricom contact centre has also faced the challenges of high customer calls; over 80,000 contacts a day. This means high abandon rates, employee burn out, low service levels and sometimes affected customer satisfaction. Safaricom does not charge for customer calls to their contact centre and this results to high operational cost at about Kes.70 per call. Contact centres being a new industry in Kenya, training costs are high since the companies have to invest in training staff since contact skills training is not easily available in the market. The contact centres are faced with high payroll and technology costs as well. The payroll costs for Safaricom in the financial year 2010/2011 increased 6% to stand at Kes.2.7B. The call centre employs about 45% of the company’s staff. (Annual Financial report, 2011)

Safaricom also spent KES.17.43B in CAPEX in the year 2009/2010 for its network expansion of which 4B of the cash was partly spent to upgrade the company’s contact centre.
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infrastructure in 2010 and a world class CRM system (Annual Financial report 2010). Without a doubt CRM is an important aspect of contact centres, however few studies have focused on the relationship that exists between the application of CRM and caller satisfaction within the inbound/outbound customer contact centre (Bang, 2006; Sin et al., 2005).

To this end Safaricom spent well over a KES. 800 million on a state of the art contact centre at their Mlolongo, Mombasa road complex in 2008 (www.wap.ratio-magazine.com)

Reporting and Analytics allow for the assessment of contact centre and customer service activity by providing real-time and historical views on the performance metrics of contact centre objectives and how these metrics change over time. Workforce Management and optimisation are central to managing and optimising Safaricom contact centre resources. It gives the organisation control over its operations by allowing the organisation to forecast and schedule agents dynamically based on traffic volumes and resource availability across a multi-site, multi-channel environment.

Real-Time offer management helps organisations to capitalise on cross-sell and up-sell opportunities by providing the capabilities to recommend an offer to an agent in real time, based on customer’s background, history and interaction type. It comprises all actions designed to transform the prospective client who enters into contact with the business representatives into an active and effective customer (Dufour & Maisonnas, 1997). It is conceptually based on reciprocity, which constitutes one important dimension of CRM (Bittner, 1995; Gummesson, 1994; Nevin, 1995), and feedback is an important part of the core of interactive management (Evans & Laskin, 1994). Indeed, Evans & Laskin (1994) consider customer feedback as a key step of the CRM process and define it as the best way for firms to keep in touch with their customers’ perceptions.
The call centre infrastructure Safaricom invested in 2010 has the real time monitoring capability. This monitors the call flows into the call centre and thus amendments can be made on the customer queues to improve customer service. Agents can be moved from one queue to another i.e. from a less busy queues to serve on those that are busy when need arise thus improving on service delivery.

Data on the frequency that customers call into the call centre is also captured to enable the call centre improve on its FCR and offer better service while planning and optimising their resources.

While launching the state of the Art Contact Centre on 27th April 2009, the former Safaricom CEO Michael Joseph in his press release said that 'The Safaricom contact centre was the first of its kind in Africa which boosts high quality and latest technology and data system tools with the capacity of handling 80,000 contacts. He also said that the company valued its people and believed in a comfortable working environment for high performance and delivery of service. He further said that the company will endeavour to provide the best customer service to its growing subscriber base while at the same time leading in innovation of customer tailored questions. The company wanted to create a good customer service experience but also wanted to amaze its customers with excellent solutions and offers. The contact centre was put up to act as a medium between customers and Safaricom to effectively handle and resolve their queries. The queries are received via telephone through Safaricom’s free customer service lines. (www.wap.ratio-magazine.com)

Since the launch of Safaricom contact centre, has continued to deliver high customer service and investment on technology geared towards service improvement.
2.4 IMPROVING CUSTOMER SERVICE: PILLARS OF EXCELLENCE

Service delivery can be a source of significant differentiation between call centres of various telecommunication companies (TARP, 1997). Each service interaction forms the basis of consumer's perceptions of the overall quality of an organisation. How well a business is able to manage and implement the service delivery process has a direct effect on retention of existing clients, and can have a significant impact on acquiring new business. The result is that satisfaction is based on how well an institution meets and exceeds a customer's expectations in every interaction.

According to Reichheld and Sasser, (1990), superior customer service is important first and foremost because it helps generate customer loyalty — a bankable advantage, even in surprisingly small doses. For example, one study showed that reducing customer defections by 5% (i.e., increased customer loyalty by 5%) enabled businesses to increase the lifetime value of the average customer significantly. A bank branch, an insurance company, and a software designer increased the net present value of profits over the lifetime of the average customer by 85%, 50% and 35%, respectively. Studies conducted by Fleming et al., (2005) have shown that the best customer service generates — and has a real, measurable impact on — customers' emotional satisfaction. It is emotional satisfaction that is especially important: one major retail bank found that its emotionally-satisfied customers had lower attrition and higher spend rates than other, less satisfied customers. According to Beaujean et al., (2006), when customer service delivers emotional satisfaction, the benefits are similar: 87% of customers who had positive, emotionally-charged interactions increased the value of their purchases from the bank, or purchased a new product.

Customer segmentation based on ARPU has resulted in identifying the respective service needs for the customers within the different tiers. Looking at guaranteed access to
Safaricom’s Customer care lines-the following example highlights steps taken to promote this aspect of service excellence:

In the routing rules definition, High Value customers have a priority routing making accessibility to customer care lines for these customers easy. For the middle tier customers, Safaricom customer care team have given the option of call back function after a defined duration of wait time. Lower tier customers have alternative and less expensive channels like SMS. Starting off with a following of about 400 customers to the current numbers of about 135,000 ‘likes‘ on facebook, 63,000 and 20,500 followers on both twitter pages; company and customer care. Social media as a customer service arena has revolutionised service excellence with recognition of the channel as being among the top five in the industry with the fastest handle time.


2.5 STRATEGIC DIFFERENTIATION

According to Fornell et al. (2006) survey, customer service can also be a strategic point of differentiation in an otherwise penetrated market place. Faced with increasing competition and faster commoditisation of goods and services, executives view customer service as a way to attract, retain, and even win back their customers. Many executives have developed customer-centric philosophy and management techniques around customer service. According to Heskett et al., (1994), a great deal of the thought on how to achieve a sustainable strategic advantage through customer service (“strategic service”) has focused on linear cause and effect. Leaders in the field have identified key relationships and variables, and have argued that improvement in these areas can create a domino effect that turns customer service into improved performance. One set of these cause-and-effect relationships,
for example, is called "the service-profit chain," which details how companies can turn improved customer service into higher profits.

Safaricom understands customer service as a strategic unit that pushes differentiation is evident from the fact that it continues to in-source this function. One of the observations made is that customer care played a pivotal role in growing the company’s market share. By rolling out its non-chargeable 24/7 service, the company tapped into market insights on customer’s buying patterns, feedback on products, services and suggestions on how to innovate into their “need/requirement” arena. Reduction in top up denomination cards came as a suggestion from customers. The company’s decision to partner with handset providers in the provision of cheaper handsets was basically an insight given by customers.

Safaricom has continued to reward its customers and that was one of the strategic reasons that the reward scheme termed ‘Bonga’ was introduced. The call centre has continued to play a pivotal role in listening to its customers. The introduction of ‘changa na Bonga’ (sharing of Bonga points with another customer) came from customer voice through the call centre. The introduction of the Bonga pin to safeguard accumulated points was also another customer request.

Customer voice is extremely important to the Safaricom management as it plays as a strategic to differentiate the company from its competitors. All customer requests, needs and suggestions are collected through the call centre and are tabled in EXCOM (Executive committee) weekly. EXCOM is chaired with the chief executive officer and his direct reports. From customer voice the company is able to make improvement on service and innovation of products and services. This enables the company and come up with customer centric strategies.
2.6. PERCEIVED CALLER SATISFACTION

First call resolution (FCR) has been defined as the percentage of callers that does not require any further contacts to the company (Feinberg et al., 2002). In this study FCR is defined as the percentage of customers that do not need to call-back in order to address their initial primary reason of calling the organisation. Different authors such as Feinberg et al (2000), Roland and Werner (2005), Robinson and Morley (2006), Eric et al (2006), have argued in favour of FCR as the major determinant of caller satisfaction.

Safaricom contact centre measures first call resolution to its customers and strives to achieve a rate of 95%. Call back service is offered to its high value customers who attempt to call and for whatever reason are not able to go through or their calls are dropped on the network. This is aimed at improving the service offered generally to its customers. With a CRM system and continuous training on the new services and products, Safaricom’s agents are able to find information needed by the customer in order to provide first contact resolution.

Daily reports on customers who contact the call centre more than once for the same reason are captured and availed to management for analysis and strategic measure put up to improve FCR. The retention team then calls back these customers to offer service and also educate them on services and products to pre-empt any future calls on the same or other issues.

2.6.1 PERCEIVED SERVICE QUALITY

In the contact centre industry, perceived service quality has been defined as the customers’ overall assessments of the superiority of a firms’ service with respect to its service interactions and the subsequent outcomes (Cronin and Taylor, 1994; 1992). In their synthesis of previous literature reviews, Brady et al (2001) have established three service quality dimensions: interaction, environmental and outcome quality. Owing to the telephony context under which this present study is being conducted, Dean (2007) argued on the need to
exclude the physical environment and integrate interaction quality as the customer service representative behaviour, and the outcome dimension as the waiting time (Dean, 2007).

Safaricom contact centre carries out research surveys monthly to measure the quality of service it offers to its customers. This survey is done by an independent research firm and feedback given so that action points are implemented to fill any unforeseen gaps. There is also an internal quality assurance team that measure the quality that the agents provide to customers which forms part of their performance management scores. This ensures that the contact centre is always offering quality service to its customers.

Daily assessments are done in the call centre to assess the quality service being offered to customers. Where performance gaps are noted the agents are pulled off the floor and taken through fresher training. Agents’ coaching is an on-going process in the Safaricom contact centre. This is conducted by team leaders who ensure that they are always equipping the agents with skills and knowledge to continuously meet the customer expectations in terms of service quality.

Quality assessment is given to the agents on a weekly basis and this ensures that there is continuous improvement on any noted gaps. There are quarterly and on the spot awards given to agents offering excellent customer service to customers. This acts as a motivator to the call centre agents as their roles can be challenging.

2.7 CUSTOMER PROSPECTING

The term customer prospecting refers to all the various means employed in business to track, locate, and attract new customers (Reinartz & Kumar, 2003; Shultz, 1995). Many firms have developed databases that contain detailed interaction data on prospects as well as customers (Thomas, 2001). In the process described by Payne (1994), the concept of CRM is understood in terms of a loyalty scale leading from the customer prospect, through customer,
client, and supporter, to partner. According to Payne (1994), customer prospecting plays a key role at the beginning of the CRM process. Thomas (2001) has examined a methodology for linking customer acquisition to customer retention. He found that customer acquisition and retention are not independent processes. Using the model described in his study, Thomas (2001) shows the financial impacts of not accounting for the effect of acquisitions on customer retention.

Prospecting incorporates predicting customer responses to marketing and sales campaigns, identifying cross-sell and up-sell opportunities; managing customer attrition and performing customer valuations. This concept stresses the importance of identifying the customers’ desires and supplying to those customers products and services that meet their expectations (Power, 1988; cited by Evans & Laskin, 1994). Szeinbach, Barnes, & Garner (1997) describe understanding customer expectations as the strategy adopted by firms to generate more knowledge of customer expectations and needs and to provide customers with the best services in order to win their loyalty.

Safaricom contact centre has a team that handles cross-selling. The agents have been trained to identify any sales opportunity and this is passed to the team which then calls back the customer and strives a sales deal. These sales prospects are then sent to their retail stores nearest to the customer to go there and make the purchase, alternatively delivery done. Safaricom will soon be introducing payments online via credit or debit cards for prospects customers so that they don’t have to drive to the retail stores.

There is also a retention team within the contact centre that are proactively contacting customer who have the possibility of churning. The objectives are to make counter offers and resolve any customer issue to stave churn from the network.
Personalisation refers to the extent to which a firm assigns one business representative to each customer and develops or prepares specific products for specific customers. Personalisation is about selecting or filtering information for a company by using information about the customer profile (Schubert, 2003). A major component of personalisation is the distribution of customised mail to a customer or customisation of the relationship between firm and customer. This concept outlines a clear distinction, established by Gronroos (1994), between CRM and the management mix. The latter is a far more clinical approach in which the seller, or business representative, plays an active role, while the buyer, or customer, takes up a more passive position. In such a scenario, there is no personalised relationship between customer and business representative. Personalisation, rather, is only included in CRM.

Personalisation results into customer scoring by identifying top prospects for targeted marketing campaigns. It offers tailor-made call centre services and scripting; Increases efficiency of direct sales efforts by improving lead qualification. For example, higher valued clients might be sent to a highly skilled resource located within a branch office, rather than being sent to the general contact centre.

Safaricom currently offers personalised service to its corporate customers, small and medium enterprises who are assigned a staff to manage their accounts. This is meant to manage any of their interactions with the company and they don’t have to call the contact centre for any service since they receive personalised service from their account managers. They are handled with highly skilled staff. The contact centre is yet to move toward personalised customer service for individual customers.

The implementation of the CRM is a strategy for Safaricom to personalise its service to its customers. Campaigns on collection of customer information through various channels is on
going in the company to enable them identify and personalise service to customers who walk into the retail stores and call the contact centre. This will enable them cross and up-sell their products and tailor make products for customers since they will know and understand their needs and want through deeper analysis.

2.9 THEORETICAL FRAMEWORK

2.9.1. MEDIA RICHNESS THEORY

Within the field of organisational communication, Media Richness Theory, first investigated by Daft, Lengel, and Trevino (Daft & Lengel, 1986; Daft, Lengel, & Trevino, 1987) and reinforced by several others, serves as the most prominent (and perhaps controversial) theory of media choice. In essence, the theory describes organisational communication channels as comprising characteristics that determine each channel's capacity to carry rich information which is more capable than lean information of reducing equivocality or ambiguity in the receiving party. Communication can occur by various means, each with varying degrees of richness (Daft & Lengel, 1984).

There are four basic communication modes utilised in the workplace: face-to-face meetings, audio or telephone exchanges, video-mediated conferences, and computer-mediated text transfers. McGrath and Hollingshead (1993) used media richness theory to develop a grid of task and media fit to explain the moderating effect of task type on media richness and performance. Their model suggests that there is an optimal fit for the information richness required of a task and the media chosen to mediate that task. For example, text based computer messaging is a "good fit" for generating ideas, but not for negotiating conflicts; likewise, video systems offer the optimal level of richness for judgment tasks but are insufficient for negotiating tasks and too rich for generating ideas.
One technology not originally incorporated in the grid, but certainly a relevant medium for many tasks, is the shared workspace. Although the term shared workspace in its most general sense refers to the total environment shared by workers (i.e., communication systems, desk space objects, etc.), the term is most often reserved for the shared object of work (e.g., a computer file or application, a model). In the present context, the shared workspace could include networked computers such that dispersed individuals could each manipulate a common file.

Safaricom call centre uses various mediums of communication; chat, text (SMS), social media, email, voice and all these rich in communicating information from the customer to the call centres and feedback. SMS may not be as rich as the voice however it’s useful for simple queries. All these combined create media richness for the Safaricom call centre to be reached by its customers and for the call centre to also reach out to its customer base. When there are promotions then SMS is used to reach out to its subscriber base since it would not be possible to call of them neither use social media since many of their customers don’t use that medium of communication.

All communication channels (for instance, telephone, fax, conventional mail, e-mail, web conferencing, or broadcasting) possess attributes that lead to different richness capacities. Media richness hence refers to a channel’s relative ability to convey messages that communicate nuances or contexts other than what is explicit. Less rich media may eventually do the same, but with more effort and time. Or alternatively, rich media communications ordinarily leads to information unambiguity and hence reduces risk. As El Shinnaway (1998, p. 140), in a short commentary, explains: Communications that can overcome different frames of reference and clarify ambiguous issues to promote understanding in a timely manner are considered richer. Communications that take a longer time to convey understanding are less rich. The greater the mediums ability to express these factors
(feedback capability, cues, personalisation, language variety), the richer it is. Conventionally, the theory proposes that rich media such as face-to-face communication are ideal for situations requiring in Best formation exchange and for creating shared meaning. Written media, in contrast are more suited for situations of low equivocality.

Despite widespread conviction among researchers and practitioners, mixed results have emerged for the interaction hypothesis suggesting that rich media is more effective for dealing with equivocal communication situations. Carlson and Zmud (1999), after an extensive survey of over a thousand academic colleagues, suggest that it is more than media richness; “if the sender perceives an e-mail message (for example) as being rich in information, but the receiver lacks the knowledge bases to interpret it richly, rich communication will surely not follow” (p 168). This is the notion of absorptive capacity that is part of the vocabulary of the knowledge management community (cf. Gupta & Govinderajan, 2000). El Shinnaway (1998) cites the instance of “email, in spite of (or, more accurately, because of) its text based nature was deemed appropriate for most communication situations, both equivocal and non-equivocal” (p 140) because of other overriding considerations.

Building on media richness theory, and as an explanation to the mixed results from experiments, Zmud, Lind, and Young (1990) and later Carlson and Zmud (1999) have investigated a “channel expansion theory” which posits that experience with the use of a channel leads to greater perceptions of media richness and ultimately fulfils the objective of communication – contributing to a knowledge building experience. By “experience”, they include not only usage experience with a channel but also the topic to be discussed, organisation context, and familiarity with other communicating parties. In fact, greater usage experience alone is merely a “necessary but insufficient condition” for perceptions of media
richness and, ultimately, effective communications. The notion of familiarity with the subjects (topic as well as people) leads to a “building of knowledge bases” which in turn allows “encoding and decoding of rich messages” over a given channel.

Following this classification, computer mediated communications are the least “media rich”. E-mail and computer conferencing create problems because communicators are unable to modify messages as they create them in response to signals from their communication partners (Carliner & College, 1999). Rocco (1998, cited in Bos et al., 2001) found that groups meeting over email could not develop enough trust to reach the optimal outcome in a social dilemma, whereas groups meeting face-to-face did so easily and quickly. However, it was observed that interaction via e-mail was more trustworthy after a face-to-face brief. Galegher and Kraut (1990) also share similar views with respect to the limitations of computer-mediated communication such as: Direct responses to mass mails resulting in pair-wise interactions that undermine the level of mutual knowledge within the group as a whole; uncertainties about the activities of others that do not arise when more direct contact is possible; and during project planning and the integration of interim products, it is often helpful for all members of a workgroup to be able to view, refer to, and manipulate a shared document or other artifact, which email does not provide.

This theory is of importance to the study as it will help understand the communication channels that call centres adopt. This will explain why contact centres would consider speech, writing and or both as their communication channel. This theory helps explain the changes in technology in the contact centres. With the increased richness and growing accessibility of the new media formats; this concept explains the significance of both active and passive participation hence it’s imperative for the contact centres to choose whether they want active or passive participation in their communications.
2.9.2. PERSPECTIVES ON COMPUTER-MEDIATED COMMUNICATIONS

Bos, Gergle, Olson, and Olson (2001) and Rocco (1998), among numerous others, have pointed out that face to face communication, no matter how brief, is the gold standard for knowledge and information exchange. But such communication has its restrictions of time, cost, and the synchronous availability of parties in geographically distant projects such as outsourcing (Carliner & College, 1999). Hence project managers commonly make use of CMC tools such as email and web conferencing in order to reduce the need for costly face to face meetings. Sophisticated users of CMC are understandably very selective in their choice of channels and presentation (Walther, 1997). They mask the cues that senders find unattractive by taking advantage of the shortcomings of the medium and give attention to providing informative cues and pointers in a deliberate manner. Such users are highly susceptible to the nuances of communicating with partners as a basis of interpersonal communication. When they begin their interaction, the expected future communication supposedly will lead to increased social information exchange (Walther, 1997).

Safaricom having two call centres (one in Westlands and the other on Mombasa road) they are both able to view the same information on their computers which are networked. The call centre having 1400 staff, communication is done via webcast and this can easily be accessed via the networked computers. Since it’s not possible to have all the staff in one location, this mode of communication is used. Information is also done via email as this is one of the best mode of communication with the staff who work on various shifts. This mode of communication complements to face to face in sharing company information.

Wenneker et al. (2005) view information and communication technologies as complementary to face-to-face contact which they concede (like many others) is the most important communication channel for sharing knowledge. Meanwhile, Kraut, Galegher, and Egido
(1988) conclude that computer mediated communication will be more valuable for coordinating already existing collaborative projects than for starting new ones, suggesting that kick-off meetings and teambuilding activities be distinctly handled. Face-to-face communication is more than synchronous information exchange; utterances and gestures are largely unplanned, although the topic and basic themes may have been (Greenspan et al, 2000).

Bos et al. (2001) demonstrate that trust can emerge in synchronous mediated conditions, albeit slowly, when they tested trust in four different communication situations: face-to face, video, audio, and text chat. In asynchronous communication, the context is not jointly created during the communication, so more than one context can be defined: the context of creation (the sender’s) and the context of use (the receiver’s) (Haslett, 1987). For example, in e-mail and voice mail, the content is created long before the recipient receives it. Whereas face-to-face meetings tend to include more frequent, less formal exchanges. In contrast, email exchanges tend to be more serious but less frequent and produce a greater sense of control among participants (Bonk, 1998). Thus, an understanding of the context is necessary for effective communication in asynchronous modes, as doing otherwise can produce noise or miscommunication.

The social aspects of the communication, rather than the hardware or software, form the basis of the more recent definitions. Jonassen et al. (1995) focus on the facilitation of sophisticated interactions, both synchronous and asynchronous, by computer networks in their definition of CMC. One of the most overt examples of the move away from a technological focus in definitions describes it thus: “CMC, of course, is not just a tool; it is at once technology, medium, and engine of social relations. It not only structures social relations, it is the space within which the relations occur and the tool that individuals use to enter that space” (Jones,
In this research project, studies for the present review has been guided more by the social and organisational aspects of specific projects other than by their use of specific varieties of CMC and the associated technologies.

2.9.3 COMMUNICATIONS PLATFORMS AND TACTICS

Wenneker et al., (2005) revealed that communication modes have three functionalities: communication, information storage and retrieval, and collaboration. The mode of communication adopted is particularly germane as it is the communication medium that makes lying possible (Killingsworth, 1999, p. 6) and at the same time develops trust. Choosing a communication platform is a balance between trust and risk. The use of technology for communication “may breed distrust and is always liable to loss or mechanical failure” (Killingsworth, 1999, p. 5), adding to the risks. According to Kraut (1990) research has shown that different communication modalities may be useful at successive stages in the life of a long-term project such as outsourcing.

Some of the modes include direct, synchronous communication via personal meetings, teleconferencing, video conferencing; computer mediated communication via email, instant messaging, e-newsletters that serve as periodic updates to the project team, web repositories in which client and vendor team members upload and share files or download documents for sharing or critique, instant messengers and internet conferencing which include application sharing in addition to the conventional audio, video and text. Zmud et al (1990) suggest that managers modify their communication media and mode based on the needs of task and issues associated with the receiver. The criteria for selection includes both physical access and the ability of the mode to meet the quality expectations for the communication, such as confidentiality and reliability (Culnan, 1985; Zmud et al., 1990), and providing the number, variety, and richness of possible cues (Daft et al, 1987; Sproull & Kiesler, 1986).
It is particularly important to make informed communication choices when dealing with international, culturally diverse audiences. The rapid evolution of information and communications technology enable computer mediated communication to provide a direct and faster means of intercultural communication, changing the way in which people think about space and time, but may amplify cultural rhetorical differences (St. Amant, 2002).

Setlock, Fussel, and Neuwirth (2004) have found significant differences in synchronous computer-mediated communication among different cultures. St. Amant (2002) also highlights Edward Hall’s context model on the importance of knowing the context in intercultural communications. As computer mediation does not provide clues about people identities or the social network they belong to, it lacks context information that people from certain cultures need to determine how to interact in a given situation.

This may leave participants uncomfortable, frustrated, or reserved as they are unable to gauge what is acceptable or unacceptable behaviour. Sometimes, the new degree of proximity could lead to new levels of expectations that may lead to cross cultural misunderstandings. Such occurrences tend to result in lost time and money or may hurt cross-cultural relationships and trust levels. Also, if computer mediated communications are not taken as seriously or genuinely as face-to-face, such activities may result in poor productivity. A prompt anticipation of potential areas of conflict or miscommunication that may arise due to the “faceless, anonymous” dimension of computer mediation (St. Amant, 2002) would help in the development of effective communication strategies for an international online environment. Krishna et al. (2004) similarly address the complexities of international, intercultural communication and suggest that the use of “coordination and control mechanisms” such as computer mediated communications, in order to be effective, must be tempered by expert relationship management, training, and staffing. Harmonisation for the purpose of project control is best achieved through the use of common methodologies, processes and
platforms. Hence, it is clear from the literature that the design of an effective communications platform for IT outsourcing require careful selection of modes, media and channel. In the next section, a model that synthesizes the key findings from the background literature will be described.

These theories are important to the study since Communication system integration is very evident today within call centres; a call centre is an entity that combines voice and data communications technology. It will help understand that the technologies and systems that call centre need should be systems capable of handling multiple media (highly interactive) therefore contact centre managers must consider how to use emerging communication channels.
3.0. RESEARCH DESIGN AND METHOD

This chapter describes the overall plan and methods used to answer the research questions and objectives. The research design was a quantitative, non-experimental study that sought to explore and describe the perceptions and experience of managers and the customers about contact centres. The research method and procedures included: determination of population, sample and sampling technique, data collection and data collecting instrument, data analysis, ensuring validity and reliability and ethical considerations. A quantitative, explorative and descriptive research design was used in this study to describe the views/perceptions of managers on contact centres.

3.1. RESEARCH APPROACH

The researcher chose a method that best fits the research purpose and study objective. According to Brink, Van Der Walt & Van Rensburg (2006:10) and Burns & Grove (2007), quantitative research approach is one of the major approaches which is derived from logical positivism and focuses on measurable aspects of human behaviour.

3.2. QUANTITATIVE AND QUALITATIVE APPROACH

Burns and Grove (2007:551) define the quantitative approach as the “formal, objective systematic process used to describe and test relationships, and examine cause-and-effect interaction amongst variables”. Polit, Beck and Hungler (2001:712) emphasise that quantitative approaches “lend themselves to precise measurement and quantification”. Quantitative studies are characterised by a general flow of empirical activities. Researchers in this paradigm believe that all human behaviour is objective, purposeful and measurable (Burns & Grove 2007:23).
Qualitative research uses deductive reasoning to generate predictions that are tested in the real world. In this study, the variables on experience and perception of customers on encounter with the customer service providers (contact centres). The quantitative data will be extracted from managers using a structured questionnaire.

According to Brink et al. (2006:11), quantitative research advantages include focuses on a relatively smaller number of concepts and uses structured procedures and formal instruments to collect information. This provides a general set of orderly disciplined procedures which are used to obtain information. Polit and Beck (2008:16) concur that a series of systematic steps are followed in obtaining empirical data that is rooted in objective reality. According to Burns & Grove (2007:16), the approach strives to go beyond the specifics of the research situation by testing the instrument for validity and reliability and it is easy to analyse numeric information through statistical procedures in this approach.

However, Burns & Grove (2007:240) and Polit & Beck (2008:16), contends that quantitative approach to research is unable to answer the how and why of a phenomenon. It can only answer the “what” of it. As such moral or ethical questions cannot be answered accurate measures of physiological phenomena like perceived satisfaction have not yet been developed by researchers. This means that not all data can be in numeric form.

The qualitative approach was suitable for this study because the perceptions of customers about their encounter with the service provider(s), experience and quality services were examined and presented in numerical data for the purposes of collaborating information recorded from the managers. The qualitative data was collected from contact centre managers through in-depth interviews (IDI). The business process approaches were audited so that the weaknesses of first two approaches were compensated for by the strength of the management perception.
3.3. RESEARCH DESIGN

According to Brink et al (2006:207) research design explains the overall plan of gathering data in a research study. Research designs used are often specific and highly structured and give guidance on the methodological choices (Polit & Beck 2008:66). The decision about a research design affects the ability to interpret data. For this reason the research design for this study was an exploratory and descriptive survey which described the phenomenon in the data collection by using a questionnaire (Burns & Grove 2007:556).

3.3.1 EXPLORATIVE DESIGN

Polit and Hungler (1996:19) and Polit and Beck (2008:20) state that explorative studies aim to investigate the full nature of the phenomenon, the manner in which it is manifested and other factors to which it is related. According to Brink (1996:208), an explorative study is one that is conducted “when little is known about the phenomenon that is being studied” The strength of using an explorative design is that it satisfies the researcher’s curiosity and desire for better understanding and insight of the phenomenon. Babbie (2001:93), however observe that, explorative study seldom provides satisfactory answers to research questions, although it can hint at the answers and suggest which research methods could provide definite answers. This study was explorative as it aimed to explore the perceptions of customers about their experience / encounter with the contact centres.

3.4. DESCRIPTIVE DESIGN

A descriptive design aims at observing, describing and documenting aspects of a situation or the phenomenon of a life situation as it normally occurs (Polit & Beck 2008:274). Through descriptive studies concepts are described and measured and relationships are identified for further quantitative research. The strength of this design is that it has the potential to generalise findings to larger populations if the sample size is adequate, an appropriate sampling design is implemented and high measurement reliability of the questionnaire is
achieved. The weakness of this design is that the lack of depth and insider perspective sometimes leads to criticisms of “surface level” analysis (Mouton 2001:153).

3.5. SURVEY

This was a cross-sectional study design and was conducted to examine how Contact Centres provides integrated communication technologies to optimise customer traffic and internal resources and business outcomes for today’s changing conditions. The primary objective was to understand the impact of contact centres on customer service delivery. To do this, data was collected from customers and contact centre managers and analysed.

According to Polit & Beck (2008:324), survey is a non-experimental type of research that focuses on obtaining information regarding the activities, beliefs, attitudes, perceptions and preferences of people through direct questioning. Surveys obtain information from the sample of people by self-report. Respondents respond to questions which can either be from a questionnaire or directly from the researcher interview-guide during an interview. The main advantage of the survey is its flexibility and wideness of scope. It can be applied to many people and it can focus on a wide range of topics. The disadvantage is that information from most surveys can be relatively superficial, because surveys rarely probe deeply into human behaviour and feelings.

The survey design was chosen for telecommunication customers because it was the most suitable in obtaining direct information on their perception about their perception / encounters /experiences. The fact that surveys focused on what people feel or think enabled the researcher in this study to obtain information about the perception of customer regarding the role that contact centres play in offering them service.
3.6. RESEARCH SETTING
According to Burns & Grove (2007:29-30), research setting entails the physical location where research is conducted which may be natural, or partially or highly controlled. Descriptive studies are conducted in natural settings. Conducting a study in a natural setting means that the researcher does not manipulate or change the environment for the study. This study took place in the contact centres of a mobile telecommunication service provider sampled in Nairobi. This study sought perception from two sets of respondents a) Management and b) customers.

3.7. RESEARCH METHOD
According to Polit and Beck (2008:765), a research method refers to techniques used to structure a study and to gather and analyse information in a systematic way. In this study, the research techniques used were population, sample and sampling technique, data collection, ensuring validity and reliability, ethical considerations and data analysis.

3.8. POPULATION
According to Burns & Grove (2007:549), population is the entire aggregate of cases in which a researcher is interested and the elements of which show the sample criteria for inclusion in the study. According to Polit & Beck (2008:338-339), the eligibility or inclusion criteria specify the population characteristics. The criteria that were used to describe the population for this research study had implications for both the interpretation of the results and the external validity of the findings. The respondents for this study were contact centre managers on duty and customers. The customers and managers interviewed were those based in Nairobi only. The population was the 3,138,369 from the census of 2009 and the target selected was 384 customers and 15 managers.
3.9. TARGET AND ACCESSIBLE POPULATION, SAMPLE AND SAMPLING

TECHNIQUE

According to Polit and Beck (2008:339), “target population is the aggregate of cases about which the researcher would like to generalise. The accessible population or source population is the aggregate of cases that conform to designated criteria and that are accessible as subjects for a study”. In this study the target population were contact centre managers and customers.

Brink et al (2006:207) define a sample as a part of a whole or subset of the population that is selected to represent the population, while Burns and Grove (2007:554) refers to sampling as a selection of a group of people, events, behaviours or other elements which the researcher plans to study. The mobile communication service providers were stratified by the researcher according to the characteristic care services (i.e. mobile telephone and related service and Probability sample involved a random selection of elements, which in this study were contact centre managers and the customers receiving care services. The desired sample size constituted a representative sizeable part of the target population. In this study the stratified random sampling, systematic and simple random sampling was used to select both study settings and the population sample.

3.9.2 STRATIFIED, PURPOSESIVE AND CONVENIENCE SAMPLING

Stratified random sampling is the random selection of study participants from two or more strata of the population (Polit & Beck 2008:767). The researcher stratified the sector of the mobile telephone customer service care provider from where the population sample was obtained. This was done by applying the stratified random sampling technique. A purposive sampling was done to identify the cases in the study. The population was then subdivided into homogenous subsets from which the required number of elements (first, contact centre managers and the relevant customers) were chosen randomly to ensure that each sector has
an equal probability of being included in the study (Polit & Beck 2008:764). In order to draw
the stratified sample, elements belonging to a stratum were grouped together to randomly
select the desired number (Polit & Beck 2004:297; Polit & Beck 2008:346). According to
Burns & Grove (2007:330) a sampling frame provides an equal opportunity for each
individual from the sample population to be selected.
CHAPTER FOUR

4.1 INTRODUCTION

This chapter presented the findings of the study. The responses from the subjects were compiled into frequencies and converted into percentages and presented in charts and tabular form. This was to facilitate easy analysis and understanding of the study which sought to examine the role of the contact centres in the corporate industry. The study surveyed a total of 314 Safaricom customers in Nairobi and 12 Contact centre managers. The analysis was done based on each question asked by the researcher in the questionnaires.

4.2 DEMOGRAPHIC INFORMATION

In order to capture the general information of the respondents, issues such as gender, age, occupation and designation of the respondents were addressed in the first section of the questionnaire. This was to get a better understanding of respondents who took part of the study.

4.2.1 Gender of the Respondents

Table 4.1 Gender of the Respondents

<table>
<thead>
<tr>
<th></th>
<th>Customers</th>
<th></th>
<th></th>
<th>Managers</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
<td>Frequency</td>
<td>Percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>152</td>
<td>49</td>
<td>6</td>
<td>50.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>161</td>
<td>51</td>
<td>6</td>
<td>50.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>314</td>
<td>100.0</td>
<td>12</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The study shows that majority (51%) of the customer who participated in the study were female while 49% were male. On the other hand, out of the 12 managers who were surveyed; half of them (50%) were male and female respectively. The study therefore was gender sensitive.
4.2.2 Age of the Respondents

In this section, the study sought to find out the age distribution of the respondents who took part in the study. The findings are as presented below.

![Figure 4.1 Age Group of the Customers Surveyed](image)

Figure 4.1 above shows that 51.6% of the respondents were between 26-40 years of age, 31.8% were between 18-25 years of age while 13.4% of the respondents were above 40 years. Only 1.6% were below 18 years while a similar percentage did not disclose their age. This shows that the study incorporated views and perceptions of Safaricom customers of all age brackets hence making the study more reliable.
Figure 4.2 Managers Age Group

On the managers surveyed, 66.7% were between 36-45 years of age while 25% were between 25-35 years of age. Further, the study found out that 8.3% of managers were above 45 years of age.

4.3 CUSTOMER SERVICE EXPERIENCE

4.3.1 DURATION OF SERVICE WITH SAFARICOM

Figure 4.3 Duration of Service with Safaricom

The study shows that majority of the respondents (75.8%) had been customers with Safaricom for over 4 years; this therefore means that majority of the respondents understood well the services offered by the company hence giving reliable information. Only 2.2% of the respondents had been with Safaricom for less than 3 months while 3.8% had been customers
of Safaricom for 6-12 months. Majority of the respondents have been with Safaricom for over 4 years as a result of good services offered, wide network coverage and the variety of products and services offered by the company. Furthermore, the revolutionary mobile money transfer service that was launched in 2007 has played a role in locking in customers on their network.

4.3.2 MANAGERS WORKING DURATION FOR SAFARICOM CONTACT CENTRE

![Figure 4.4 DURATION WORKED FOR SAFARICOM CONTACT CENTRE](image)

The study found out that majority (67%) of the managers surveyed had worked for 7 years and above while a further 8% revealed that they had worked for Safaricom contact centre for duration of 4-6 years. The fact that majority of the managers had worked for long at Safaricom Contact Centre means that these managers had a lot of experience hence their responses would be highly reliable in meeting the objectives for these study.
4.3.3 AWARENESS OF THE SERVICES OFFERED IN THE CALL/CENTRE

An overwhelming 89.8% of the respondents revealed that they were aware of the services offered in the Safaricom call centre. Only 10.2% of the respondents indicated that they were not aware of the services. The high rate of awareness (89.8%) by customers on the services offered by the call centres is assumed to be as a result of customers being directed from Safaricom retail stores and dealer shops to seek additional help from the call centre. At the same time all Safaricom advertisements (both in the print and electronic media) always refer customers to the call centre service numbers thus increasing awareness of the services available through that channel.
4.3.4 NUMBER OF TIMES RESPONDENTS CALL THE SAFARICOM CONTACT CENTRE

Table 4.2 Number of times Respondents call the Safaricom Contact Centre

<table>
<thead>
<tr>
<th>No. of Times</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once a week</td>
<td>4</td>
<td>1.3</td>
</tr>
<tr>
<td>Once a month</td>
<td>8</td>
<td>2.5</td>
</tr>
<tr>
<td>Whenever I have a problem</td>
<td>270</td>
<td>86.0</td>
</tr>
<tr>
<td>Never</td>
<td>22</td>
<td>7.0</td>
</tr>
<tr>
<td>No Response</td>
<td>10</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>314</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Majority of the respondents (86%) revealed that they called the Safaricom Contact Centre whenever they had a problem. However, 7% indicated that they never called the contact centre while 1.3% called once a week. This therefore shows that contact centre is regarded as an important touch point to interact and resolve customer queries.

4.3.5 OPTIONS CUSTOMERS USE WHENEVER THEY DON'T SEEK HELP FROM THE CALL CENTRE

Table 4.3 Options customers use whenever they don't seek help from the call centre

<table>
<thead>
<tr>
<th>Seeking Help</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail store</td>
<td>56</td>
<td>17.8</td>
</tr>
<tr>
<td>Dealer shop</td>
<td>103</td>
<td>32.8</td>
</tr>
<tr>
<td>Send an email</td>
<td>15</td>
<td>4.8</td>
</tr>
<tr>
<td>Tweet or post on Safaricom customer care facebook page</td>
<td>39</td>
<td>12.4</td>
</tr>
<tr>
<td>Seek help through a friend or relatives working in the company</td>
<td>68</td>
<td>21.7</td>
</tr>
<tr>
<td>No Response</td>
<td>33</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>314</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The study established that whenever customers didn’t seek help from call centre, 32.8% indicated that they sought help from dealer shop while 21.7% sought help through friends or relatives working in the company. On the other hand, 17.8% indicated that they sought help from retail shop while 12.4% tweeted or posted on Safaricom customer care face book page.
The reason why most customers sought help from dealers whenever they couldn’t get help from the call centre is because there is a wide dealer network footprint across the country. This means that customers from remote areas in the country side are still able to get comparable service and advice as they would from the call centre and Safaricom owned stores.

Tweeter and facebook are being utilised at an impressive rate (12.4%) and they offer Safaricom an opportunity to leverage on as an alternative channel that will take the load away from the inbound call centre that is experiencing accessibility challenges.

From the customer responses, it's clear that social networks play an important role as a source of information and help. That's why 21.7% of the respondents sought help from friends and relatives who work in the company. The probable reason for this is that such customers are able to get quick assistance therefore bypassing the official channels.

4.3.6 KIND OF HELP SOUGHT FROM THE CALL CENTRE

<table>
<thead>
<tr>
<th>Help Sought</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-PESA Issues</td>
<td>199</td>
<td>63.4</td>
</tr>
<tr>
<td>SIM Replacement</td>
<td>102</td>
<td>32.5</td>
</tr>
<tr>
<td>Recharge Vouchers</td>
<td>100</td>
<td>31.8</td>
</tr>
<tr>
<td>PIN/ PUK</td>
<td>119</td>
<td>37.9</td>
</tr>
<tr>
<td>Data Services</td>
<td>76</td>
<td>24.2</td>
</tr>
</tbody>
</table>

The study found out that 63.4% of the respondents contacted the call centre seeking help on M-PESA issues while 37.9% sought help on PIN or PUK issues. Further, 32.5% revealed that they sought help on SIM replacement while 31.8% sought help on recharge vouchers. Only 24.2% indicated that they sought help on data services.

M-PESA being a service that deals with money makes it sensitive and naturally elicits the most calls from customers (63.4%). Some of the key queries on this service include sending
money to a wrong number, losing/forgetting the PIN for the service and delays on cash transfer.

Issues of PIN/PUK and SIM replacement are also common as they require that the customers seek help directly from the service provider.

Other than the issues raised above, the respondents indicated that they contacted the call centre about calls to Europe or abroad; blackberry phones services, Bonga points, deductions on services subscribed, block of callers, blockage of SIMcard, lost phones and phone technicality and subscriptions of services.

4.3.7 RATING THE SERVICES CUSTOMERS GET AT SAFARICOM CALL CENTRE

Table 4.5 Rating the services customers get at Safaricom Call Centre

<table>
<thead>
<tr>
<th>Services</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The information they offer is clear and complete</td>
<td>2.26</td>
<td>1.019</td>
</tr>
<tr>
<td>Helpfulness of the person who assisted you</td>
<td>2.35</td>
<td>.998</td>
</tr>
<tr>
<td>They are able to identify me by name whenever I contact them</td>
<td>3.33</td>
<td>1.340</td>
</tr>
<tr>
<td>The time it takes to speak to an agent</td>
<td>3.55</td>
<td>1.179</td>
</tr>
<tr>
<td>The waiting time on the queue</td>
<td>3.78</td>
<td>1.143</td>
</tr>
</tbody>
</table>

The respondents revealed that they were satisfied by the information offered since it was clear and complete and that the person who assisted them was helpful; this is shown by mean scores of 2.26 and 2.35 respectively on the continuous Likert scale. The respondents however rated average the issue on whether they were able to be identified by name whenever they contacted the call centre; this is shown by a mean score of 3.33. Further, the respondents revealed that they were dissatisfied with the time it took to speak to an agent and the waiting time on the queue; this is shown by mean scores of 3.55 and 3.78 respectively. This shows
that Safaricom needs to improve on their accessibility to the call centre in order for customers to quickly reach a call centre agent.

4.3.8 LENGTH OF TIME IT TOOK TO SPEAK TO AN ADVISOR

Table 4.6 Length of time it took to speak to an advisor

<table>
<thead>
<tr>
<th>Length of Time</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a minute</td>
<td>13</td>
<td>4.1</td>
</tr>
<tr>
<td>1-2 minutes</td>
<td>54</td>
<td>17.2</td>
</tr>
<tr>
<td>3-4 minutes</td>
<td>69</td>
<td>22.0</td>
</tr>
<tr>
<td>5-6 minutes</td>
<td>67</td>
<td>21.3</td>
</tr>
<tr>
<td>Above 6 minutes</td>
<td>108</td>
<td>34.4</td>
</tr>
<tr>
<td>No Response</td>
<td>3</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>314</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The study shows that most of the respondents (34.4%) indicated that it took more than 6 minutes to speak to a customer care advisor while 22% indicated that it took 3-4 minutes. Only 4.1% of the respondents indicated that it took less than a minute.

The long call waits are due to the high call volumes to the call centre and this is a challenge to Safaricom that is the market leader in the mobile telephony in Kenya. However, efforts are being made to utilise other alternative channels e.g. tweeter, facebook, email, SMS.

4.3.9 RATING THE CUSTOMER SERVICE AGENTS

Table 4.7 Rating the Customer Service Agents

<table>
<thead>
<tr>
<th>Rating</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>They are able to resolve my request at the first call</td>
<td>3.42</td>
<td>1.020</td>
</tr>
<tr>
<td>They make me feel important whenever I contact them</td>
<td>3.60</td>
<td>1.070</td>
</tr>
<tr>
<td>They are always helpful</td>
<td>3.77</td>
<td>.992</td>
</tr>
<tr>
<td>They were able to understand your request</td>
<td>3.80</td>
<td>.874</td>
</tr>
<tr>
<td>They are polite and friendly</td>
<td>4.01</td>
<td>.887</td>
</tr>
</tbody>
</table>

On rating the customer service agents who serve in the call centre, the respondents agreed that the agents made them feel important whenever they contact them and that they were always helpful; this is shown by mean scores of 3.60 and 3.77 respectively on the continuous
Further the respondents agreed that the agents were able to understand their request and they were polite and friendly; this is shown by mean scores of 3.80 and 4.01 respectively. This therefore means that, Safaricom has good training for its agents on customer service and that they value their customers.

However, the respondents were neutral on whether the customer service agents were able to resolve their request at the first call; this is shown by a mean score of 3.42 on the Likert scale. This therefore means that, Safaricom needs to make improvement on the customer queries being resolved on the first call to avoid customers making numerous calls to the call centre and thus increasing the call volumes.

### 4.3.10 GENERAL SATISFACTION LEVEL WITH THE MOBILE SERVICE PROVIDER’S CALL CENTRE SERVICES

Table 4.8 Rating the General Satisfaction Level with the Mobile Service Provider’s Call Centre Services

<table>
<thead>
<tr>
<th>Rating</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly satisfied</td>
<td>27</td>
<td>8.6</td>
</tr>
<tr>
<td>Satisfied</td>
<td>111</td>
<td>35.4</td>
</tr>
<tr>
<td>Average</td>
<td>138</td>
<td>43.9</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>26</td>
<td>8.3</td>
</tr>
<tr>
<td>Very dissatisfied</td>
<td>9</td>
<td>2.9</td>
</tr>
<tr>
<td>No response</td>
<td>3</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>314</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The study shows that 43.9% of the respondents rated their general satisfaction level with the mobile service provider’s call centre services as average. However, 35.4% revealed that they were satisfied while 8.6% further revealed that they were highly satisfied with Safaricom’s call centre services. This therefore means that, Safaricom has to make improvement in its call centre services to ensure high satisfaction by its customers so that they don’t churn to other networks.
4.3.11 AREAS CUSTOMERS SUGGESTED NEEDS IMPROVEMENT FOR THE CALL CENTRE TO OFFER A BETTER EXPERIENCE

Majority of the customers revealed that there was need for improvement on accessibility; that is, time taken to reach an agent and time to resolve problem should be shorter. They suggested for Safaricom to have more agents so that customers did not have to wait for long to be served (long Queues). On improving accessibility, the customers suggested that there should be call back to clients on disconnection (if call is incomplete); this is because it takes too long to reach an agent and whenever one does, he/she never gets the same agent so one has to start the process all over again; or rather decongest the system. Call centres should be more accessible when customers call in and the agents should be fast in responding. They suggested need to conduct better in-house training since some agents gave wrong information; and enhance more access to the call centre staff.

Customers also suggested that call rates to other networks should be reduced slightly. They also felt that the delays in processing M-PESA transactions should be reduced. Make more use of information technology, empower retail shops and diversify customer Care Centres to serve rural areas.

Internally floor supervisors should be easily accessible and their customer service agents should be willing to pass their call to the floor supervisor should one get dissatisfied with the agent. On M-PESA issues the customers suggested that, Safaricom give time allowance after one sends money to wrong account- give time frame for cash withdrawal. They further suggested that agents should identify the caller by name; and that they should be quicker to respond to queries especially the call services.
Safaricom needs to listen to its customers and be able to implement strategies that will lead to higher customer satisfaction especially in safeguarding cash on its money transfer service as there was dissatisfaction since customers lost cash sent to a wrong number.

4.4 MANAGERS RESPONSES

4.4.1 Adoption of Technology

Table 4.9 Adoption of Technology

<table>
<thead>
<tr>
<th>Technology Responses</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether Safaricom have a CRM technology in your contact centre</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Whether the CRM technology enable to service the customers</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Whether CRM enable to identify the customers</td>
<td>9</td>
<td>3</td>
</tr>
</tbody>
</table>

The study shows that all the managers surveyed (100%) were in agreement that Safaricom had a CRM technology in their contact centres. However, only 66.7% acknowledged that the CRM technology enabled to service the customers while 75% indicated that the CRM enabled to identify the customers. This means the company needs to put more effort to have all its customer data in its CRM system in order to identify their customers and serve them better when they call the call centre.

Table 4.10 Existence of an IP base contact centre

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes- It Exist</td>
<td>12</td>
<td>100.0</td>
</tr>
</tbody>
</table>

All the managers (100%) overwhelmingly revealed that there existed an IP base contact centre. The managers further stated that the IP base contact centre had the following benefits: faster resolution of customer issues; better knowledge of the customers; flexible working support; reduced call centre operational costs and cheaper way to update infrastructure in future. It also gave agents a 360 degrees view of customers who interact with them- visibility
angle is enormous; keep historical information about customers' engagement with Safaricom and enhanced ability to segment callers to the call centres and offer differentiated services.

The managers also indicated that the IP base contact centre enabled intelligent routing of calls and that it was highly scalable and can be used to service diverse needs. The IVR is dynamic and could be used to perform various functions including self-service, enhanced identification of system issues, enables details on CRM to be personalised and enhanced a single view of all customers, details via CRM.

This indicates that Safaricom has invested heavily on technology with the objective of improving the service offered to its customers through the call centre.

4.4.2 How the Use of Technology Has Changed Safaricom Service Delivery

Technology has enormously changed delivery of services at Safaricom. According to the managers surveyed, technology has enhanced better experience in terms of speed and meeting customer solutions; elimination of paper based reference guides and knowledge base i.e. it has automated manual processes increasing operations; intelligent routing of calls as per company segmentation requirement, automation of responses and increased speed of responsiveness through chat, email, SMS, twitter and facebook. Further technology has enabled them to have visibility on customer interactions, segmentation of customers is made possible on different areas e.g. communication, precise service delivery due to more targeted service; database buildup of customer information (better customer profiling) hence production of customer taste. It has allowed them to perform customer segmentation to provide specialised services to the high value customers while enabling the company get accurate statistics on customer call types i.e. reasons for calling.
The use of technology has enabled their contact centre experience other benefits enumerated below: reduced average handle time; personalised interaction from CRM, improved quality, low calls to call centre, low abandon rate and quicker turnaround of queries; and creation of a one view/360 view of customers- which has made it possible to analyse experiences across various touch points.

Options such as online support (facebook, twitter) have quicker response times. Moreover, there is also intelligent sorting based on what subscribers choose on the IVR and there is more sustainability in terms of system performance for ACD. However, the managers revealed that there was setback since some customers become a little confused as they are averse to technology. This therefore means, Safaricom uses modern technology to enhance customer service however there is need to simplify their IVR to enable more customers to easily access service without necessarily speaking to an agent.

4.4.3 Service Quality

Table 4.11 Service Quality

<table>
<thead>
<tr>
<th>Service Quality</th>
<th>Yes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether you measure the service quality offered</td>
<td>12</td>
<td>100.0</td>
</tr>
<tr>
<td>Measures used for the service quality:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal</td>
<td>1</td>
<td>8.3</td>
</tr>
<tr>
<td>External</td>
<td>1</td>
<td>8.3</td>
</tr>
<tr>
<td>Both Internal and External</td>
<td>10</td>
<td>83.3</td>
</tr>
</tbody>
</table>

All the managers surveyed (100%) revealed that they measured the service quality offered in the contact Centre. The managers stated that they measured the service quality by: employing quality analyst who listen in and access call quality; by engaging the services of research companies such as IPSOS Synovate who measure customer satisfaction; by doing occasional
mystery shopping calls; by empowering team managers who listen and intervene directly; by use of service level agreement as a measure, use of response time calculations; and by use of service scripts through the quality teams. The managers also stated that there are quality evaluations on recorded calls, evaluation of escalated issues, instant observations and intrusions, and quality assessments and audits from the QA team.

Internally service quality was measured through process adherence- scoring agents based on adherence to processes while externally; it was done through benchmarking to competition through customer delight index. They also re-evaluated calls using set criteria on certain minimum requirements- quality analyst are trained to evaluate the calls. External surveys are also conducted from which they gathered customers' feedback including number of callers who did not get their issues resolved the first time. This is also done through CSAT-customer satisfaction metrics, through research surveys by contracted research agencies by the marketing. The managers further revealed that they used systems that record the conversations and then the analysis team gives a report.

This therefore means that Safaricom is keen in ensuring that it consistently monitors the service quality it offers to its customers and is leveraging on the call centre as a retention strategy.

Table 4.12 Whether Safaricom Offer Personalised Service in the Contact Centre

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>11</td>
<td>91.7</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>8.3</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Majority of the managers surveyed (91.7%) indicated that Safaricom offered personalised service in their contact centre; only 8.3% indicated that they didn't offer personalized service. Safaricom managers believe that they offer personalised service and they are committed to
offering the best customer service and continuously working on improving on their business processes that will meet their business objectives on service delivery to their customers.

Table 4.13 Channels the Customers Use to Contact the Contact Centre

<table>
<thead>
<tr>
<th>Channels</th>
<th>F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice</td>
<td>5</td>
<td>41.7</td>
</tr>
<tr>
<td>Email</td>
<td>5</td>
<td>41.7</td>
</tr>
<tr>
<td>Social media</td>
<td>5</td>
<td>41.7</td>
</tr>
<tr>
<td>SMS</td>
<td>6</td>
<td>50.0</td>
</tr>
<tr>
<td>All of the above</td>
<td>9</td>
<td>75.0</td>
</tr>
</tbody>
</table>

On the channels that the customers used to contact the contact centre; 41.7% of the respondents indicated that the customers used voice, E-mail and social media respectively. Further, fifty percent of the respondents indicated that the customers used SMS while 75% of them revealed that the customers used all the available channels; that is, voice, E-mail, social media and SMS. This shows that Safaricom is committed to introducing various alternative channels for its customers to contact them other than the voice channel that is viewed by its customers as not easily accessible.

Table 4.14 Speed in Handling Customers Contacts

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>7</td>
<td>58.3</td>
</tr>
<tr>
<td>Average</td>
<td>5</td>
<td>41.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The study found out that the speed in handling customers contact at Safaricom was satisfactory as revealed by 58.3% of the respondents while 41.7% indicated that the speed was average. This shows that speed of handling queries is satisfactory and there is need for the managers to work towards improving it to very satisfactory.
Table 4.15 Ability to Resolve All the Customer Queries on the First Contact

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>2</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
</tr>
</tbody>
</table>

4.4.4 Difference between Customer Services of Safaricom from that of the Competitors

The managers indicated that they differentiated themselves from the competitors by introducing various channels of contact, through use of technology to aid in service (state of the art technology to respond to emerging trends), defining customer profile using CRM based routing to enable service alignment to a specific customer, by offering various media of contacting e.g. facebook, twitter, SMS, and after call survey for immediate feedback from customers. They also ensured complete satisfaction through quality checks, customer segmentation, in source customer care which ensures responsiveness to customer feedback.

There is provision of single point of contacts (SPOC) for corporate clients, that provides improved access for high ARPU subscribers and that Safaricom customer care service is professional- they know that the customer is key and the customer is in the middle of all decisions. They ensure customer satisfaction through benchmarking by independent research body (CDI measure); offering high consistent quality with every interaction, introduction and use of various alternative channels e.g. social networks have also made Safaricom to be leading in customer Service.

This clearly shows that Safaricom is continuous working towards improving its service to its customers in order to be a leader in service deliver ahead of competition.
4.4.5 CHALLENGES

4.4.5.1 Challenges Faced In Trying To Improve Customer Service

The managers revealed that they were faced by a number of challenges in their mission to improve customer service. Some of these challenges are:- accessibility to the customer care lines, language barriers from some segments of their customer base, adopting to the ever changing customer needs, adopting to the changing environment especially with the relation to technology, managing people with different temperament; adoption of new service channels that is slow among the public; agents morale- ensuring continuous motivation of staff is a challenge; high call volumes and workload in general; and a burgeoning budget.

The managers further cited challenges such as high staff turnover necessitating recruitment and training all the time; resistance from agents, system failure, lack of team work; and some call centres staff not embracing customer service. Not surprisingly, as the biggest player, the supply of calls is far much greater than the resources available; there is poor product delivery to customers hence complaints; product knowledge and staff competence especially with emerging technologies. Other challenges include self-motivation due to the monotonous nature of the job in addition to issues of inadequate or systems support.

Safaricom therefore needs to come up with strategies to retain its call centre staff and reduce turnover through career development, breaking of job monotony, incentives. They also need to invest a lot in training of their agents on emerging technologies and products if they have to be a market leader in call centres in the region and be an employer of choice.

4.4.6 CUSTOMER SERVICE STRATEGIES

4.4.6.1 Strategies Put in Place to Ensure Excellent Customer Service

The managers revealed that they were employing new strategies to ensure excellent customer service. This includes adoption of new technology of customer call back, employment of IVR
Self-service options to offer customers alternative channels; continuous improvement on best practice in regards to performance, continuous checks on complaints to lay down procedure and processes that are customer centric; continuous training and coaching to upscale agents, performance management through smart targets and KPI (key performance indicators); daily analysis of customer calls and call types, documentation of ISO processes with SLAs and escalation points for quicker resolution of customer issues.

Other strategies mentioned include: implementation of customer feedback that ensures viable, good ideas are adopted; ongoing agent training; internal quality assurance / after call surveys for continuous feedback; ongoing market research/feedback; motivation of the representatives through innovative activities; tracking back of the service offered; promotion of a customer centric culture; and adherence to high customer service standards. The managers also revealed that they had created diverse contact points, measuring the quality of service offered by agent through an audit team; and further segmenting customers and offering differentiated services per segment needs. There was also a proactive approach to tackling of issues to ensure reduction in call volume to the call centre.

Safaricom needs to put strategies that will enable it to be a market leader in call centres and also be a learning example to other companies that are yet to set up contact centres.

4.4.6.2 STRATEGIES PUT IN PLACE TO PERSONALISE SERVICES OFFERED TO THE CUSTOMERS

On the strategies put in place to personalise services offered to the customers; the managers revealed that they had put in place CRM strategies for customer identification, data capture and analysis of customer buying and usage habits. These insights assist in personalised
service. CRM enables better understanding of customers profile to offer suitable products and services, segmentation of customers to offer relevant and targeted services.

Finally there is customer segmentation, employment of skilled labour, efforts to maximise on the know your customer (KYC) initiative, storing history of customer interactions which enables continuous interaction with clients; and introduction of multiple channels to give freedom to advice and customers on one's channel of choice.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter is a synthesis of the entire report and contains summary of findings, conclusions arrived at and recommendations for further study.

5.2 SUMMARY OF FINDINGS

The following were the summary of the research findings upon which the conclusion and recommendations of the study were made. The study was guided by the objectives and it is on this basis that data analysis was done. The findings in relation to each of the specific objectives were as follows.

The study established that majority of customers had been with Safaricom for over 4 years; hence the respondents understood the services offered by the company well hence giving reliable information. On the other hand, majority of the managers surveyed had worked for over 7 years hence these managers had a lot of experience thus their responses were highly reliable in meeting the objectives for these study.

On the awareness levels about the services offered in the Safaricom call centre, majority of the customers surveyed revealed that they were aware of the services offered in the Safaricom call centre. It was established that majority of the customers called the Safaricom Contact Centre whenever they had a problem. However, whenever customers didn’t seek help from call centre, the customers mainly sought help from dealer shops and, from friends or relatives working in the, from retail shop while a few tweeted or posted on Safaricom customer care facebook page.
The services that the customers sought help for most when they contacted the call centre were M-PESA issues, PIN or PUK issues, SIM replacement, recharge vouchers and on data services in that order. Other services sought for included; inquiring about calls to Europe or abroad; blackberry phones services, Bonga points, deductions on services subscribed, block of callers, blockage of SIM card, lost phones, phone technicality and subscriptions of services.

The customers revealed that they were satisfied by the information offered since it was clear and complete and that the person who assisted them was helpful. The respondents however rated average the issue on whether they were able to be identified by name whenever they contacted the call centre. However, that they were dissatisfied with the time it took to speak to an agent and the waiting time on the queue. The study found out that it took more than 6 minutes to speak to a customer care advisor according to the customers.

On rating the customer service agents who serve in the call centre, the customers agreed that the agents made them feel important whenever they contact them and that they were always helpful. The agents were also able to understand their request and they were polite and friendly. However, the respondents were neutral on whether the customer service agents were able to resolve their request at the first call. On the general satisfaction level with the mobile service provider’s call centre services, the customers rated it as average. However, a few were highly satisfied with Safaricom’s call centre services.

Customers suggested areas they would need improvement for the call centre to offer a better experience. They revealed that there was need for improvement on accessibility; that is, time taken to reach an agent and time to resolve problem should be shorter. They suggested for Safaricom to add more agents so they can reduce long queues. On improving accessibility, the customers suggested that there should be call back to clients whenever they are
disconnected (if call is incomplete); this is because it takes too long to reach an agent and one manages, they never gets the same agent so one have to start the process all over again; or rather decongest the system. Call centres should be more spacious and comfortable and when called, the agents should be fast in responding. They suggested need to conduct better in-house training since some agents gave wrong information; and enhance more access to the call centre staff. They further suggested that agents should identify the caller by name; and that they should be quicker to responding to queries especially the call services.

On the adoption of technology in the contact centres; all the managers surveyed were in agreement that Safaricom had a CRM technology in their contact centres. They further revealed that CRM technology enabled to service the customers and that the CRM enabled to identify the customers. Moreover, all the managers were in agreement that there existed an IP base contact centre. The IP base contact centre had the following benefits: faster resolution of customer issues; better knowledge of the customers; flexible working support; reduced call centre operational costs and cheaper way to update infrastructure in future. It also gave agents a 360 degrees view of customers who interact with them- visibility angle is enormous; kept historical information about customers’ engagement with Safaricom and enhanced ability to segment callers to the call centres and offer differentiated services.

On how the use of technology has changed Safaricom service delivery, the managers revealed that technology had enhanced better experience in terms of speed and meeting customer solutions; elimination of paper based reference guides and knowledge based i.e. it has automated manual processes increasing operations; intelligent routing of calls as per company segmentation requirement, automation of responses and increased speed of responsiveness through chat, email, SMS, twitter. Technology had also enabled Safaricom to have visibility on customer interactions, segmentation of customers is made possible on
different areas e.g. communication, precise service delivery due to more targeted service; database built up of customer information (better customer profiling) hence production of customer taste. It had allowed them to perform customer segmentation to provide specialised services to the high valued customers; it had also enabled them to get accurate statistics on customer call types.

The study also established that Safaricom measured the service quality offered in the contact centre as revealed by all the managers surveyed. The managers stated that they measured the service quality by: employing quality analyst who listen in and access call quality; by engaging the services of research companies such as IPSOS Synovate who measure customer satisfactory; by doing occasional mystery shopping calls; by empowering team managers who listen and intervene directly; by use of service level agreement as a measure, use of response time calculations; and by use of service scripts through the quality teams. The managers also stated that there are quality evaluations on recorded calls, evaluation of escalated issues, instant observation and intrusions, and quality assessment and audits from the QA (Quality Assessors) team. Internally service quality was measured through process adherence- scoring agents based on adherence to processes while externally; it was done through benchmarking to competition through customer delight index. They also re-evaluated calls using set criteria on certain minimum requirements- quality analysts are trained to evaluate the calls. External surveys are also conducted from which they gathered customers' feedback including number of callers who did not get their issues resolved the first time.

The managers further indicated that Safaricom offered personalised service in their contact centre. On the channels that the customers used to contact the contact centre; the managers revealed that the customers used all the available channels; that is, Voice, Email, Social
media and SMS. Moreover, it was established that the speed in handling customers contact at Safaricom was satisfactory.

According to the managers, Safaricom differentiated themselves from the competitors by introducing various channels of contact, through use of technology to aid in service (state of the art technology to respond to emerging trends), defining customer profile using CRM based routing to enable service alignment to a specific customer, by offering various media of contacting e.g. face book, twitter, SMS, and after call survey for immediate feedback from customers. They also ensured complete satisfaction through quality checks, customer segmentation, in source customer care which ensures responsiveness to customer feedback.

However, there were a number of challenges faced in the quest to improve customer service. Some of these challenges are accessibility to the customer care lines, language barriers from some segments of their customer base, adopting to the ever changing customer needs, adopting to the changing environment especially with the relation to technology, managing people with different temperament; adoption of new service channels is slow among the public; agents morale-continuously motivating staff is a challenge; high call volumes and workload in general; and high budget. There was also high staff turnover necessitating recruitment and training all the time; resistance from agents, system failure, lack of team work; and some call centres staff not embracing customer service.

5.3 CONCLUSIONS OF THE STUDY
The following conclusions were made based on the findings of the study:

The study concludes that Safaricom customer service has been helpful in solving customers' problems. Some of the major issues that customers sought help for included: M-PESA issues, PIN (personal identification number) or PUK (personal unlocking key) issues, SIM
replacement, recharge vouchers and on data services in that order. Other services sought for included; inquiring about calls to Europe or abroad; Blackberry phones services, ‘Bonga’ points (loyalty programme), deductions on services subscribed, block of callers, blockage of SIM card, lost phones, wrongful M-PESA transfer, phone technicality and subscriptions of services.

The managers employ a number of processes to improve customer service. This includes adoption of CRM technology in their contact centres; existence of an IP base contact centre which enabled faster resolution of customer issues. There is also increased speed of responsiveness through chat, email, SMS, twitter and other social media tools. Technology also enabled segmentation of customers which has made it possible to provide specialised services to the high valued customers; it has enabled to get accurate statistics on customer call types. Other than technology, contact centre agents also play a great role in improving customer service. The study established that the agents at Safaricom were always helpful, polite and friendly understood customer request, and they made customers feel important hence winning on customers.

However, there are a number of challenges faced while trying to improve customer service. Some of these challenges are accessibility to the customer care lines, language barriers from some segments of our customer base, adapting to the ever changing customer needs, adapting to the changing environment especially with the relation to technology. There was also high staff turnover necessitating recruitment and training all the time; and sometimes resistance from agents and lack of team work; while some call centres staff not embracing customer service.
5.4 RECOMMENDATIONS

The following recommendations were made based on the findings and conclusions of the study:

Owing to the challenge raised by customers of not getting help on some issues on the first call; the study recommends that call centres need agents or employees who embrace customer service hence there is need for higher calibre employees in the contact centres. Moreover, due to high employee turnover there is need to offer greater staffing flexibility. That is; the number of agents can be quickly adjusted to meet changes in the service demand.

The study also recommends emphasis on proper training and performance management. Training will ensure that call agents adapts to the ever changing customer needs and changing environment- such as new technologies. Performance management would help agents and managers understand what they are doing and work efficiently to address any performance issues. This would also improve team work in ensuring customer satisfaction.

Lastly, there is need for Safaricom to continue investing in its contact centres. Due to the ever changing customers' needs and improved use of technology; there is need to establish the customers' needs and also understand how, and which means the company can adopt to effectively and satisfactorily solve customers' ‘problems through contact centres.
REFERENCES


Safaricom Annual Report & Group Accounts for the year ended 31st March 2011

Safaricom Annual Report & Group Accounts for the year ended 31st March 2012


APPENDIX 1: LETTER TO RESPONDENTS

Dear respondent,

Re: Introductory Letter.

I am a final year student pursuing a Master of Arts Degree in Communication at the School of Journalism and Mass Communication in the University of Nairobi. I am undertaking a research in "Assessing the role of contact centres in improving customer service in the corporate sector in Kenya". In order to undertake this study, you have been selected to form part of my study. This letter is therefore, to request you for your assistance in filling the attached interview as truthfully as you can. The information required is purely for academic purposes and will be treated with strict confidentiality.

Yours sincerely,

Davin Kwamboka Oruta
APPENDIX 2: QUESTIONNAIRE FOR CUSTOMERS

Instructions: Tick where appropriate and fill in the blank spaces

PART ONE: BIODATA

I. Gender:
   a) Male
   b) Female

II. Age Group:
   a) Below 18
   b) 18-25
   c) 26-40
   d) Above 40

III. Occupation: ____________________________ Optional

IV. Designation: ____________________________ Optional

PART TWO: CUSTOMER SERVICE EXPERIENCE

1. How long have you been a customer with Safaricom?
   a) Less than 3 months
   b) 6-12 months
   c) 1-2 years
   d) 2-4 years
   e) More than 4 years

2. Are you aware of the services offered in the Call/ Centre?
   a) Yes
   b) No

(Applicable if you have answered YES in Q2)

3. How many times do you call the Safaricom Contact Centre?
   a) Once a week
   b) Once a month
   c) Whenever I have a problem
   d) Never
4. If you don’t seek help from the Call Centre what options do you use?
   a) Retail Store
   □
   b) Dealer shop
   □
   c) Send an email
   □
   d) Tweet or post on Safaricom customer care Facebook page
   □
   e) Seek help through a friend or relative working in the company
   □

5. What kind of help have you sought from the call centre every time you have called?
   a) M-PESA Issues □
   b) Sim replacement □
   c) Recharge vouchers □
   d) PIN/PUK □
   e) DATA Services □
   □ Other, please specify __________________________________________

6. What other services in your opinion do you think call centres should provide that you are not getting currently? List the issues down.
   a) __________________________________________
   b) __________________________________________
   c) __________________________________________

7. On a scale of 1-5 (refer to KEY below) how would you rate the service you get at Safaricom Call Centre?
KEY:

1-Highly satisfied, 2- Satisfied, 3- Average, 4-Dissatisfied, 5- Very dissatisfied

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<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>The waiting time on the queue</td>
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<td>The time it takes to speak to an agent</td>
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<td>Helpfulness of the person who assisted you</td>
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<td>The information they offer is clear and complete</td>
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<td>They are able to identify me by name whenever I contact them</td>
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</table>

8. Length of time it took you to speak to an advisor

   a) Less than a minute
   b) 1-2 minutes
   c) 3-4 minutes
   d) 5-6 minutes
   e) Above 6 minutes

9. How would you rate the customer service agents who serve on a scale of 1-5. Tick where applicable

   KEY: 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, 5-Strongly Agree

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<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
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<tr>
<td>They were able to understand your request</td>
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<tr>
<td>They are able to resolve my request at the first call</td>
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<td>They are always helpful</td>
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<td>They are polite and friendly</td>
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<td>They make me feel important whenever I contact them</td>
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</table>

10. Rate your general satisfaction level with your mobile service provider’s call centre services.

   a) Highly Satisfied
   b) Satisfied
   c) Average
   d) Dissatisfied

81
e) Very dissatisfied  □

11. What areas would you suggest need improvement for the call centre to offer a better experience?
   a) ___________________________________________
   b) ___________________________________________

   Thank you
APPENDIX3: QUESTIONNAIRE FOR MANAGERS

Put a tick (✓) for the right options.

BIODATA

I. Age Group:
   a) 25-35
   b) 36-45
   c) Above 45

II. Gender:
   a) Male
   b) Female

III. How long have you worked for Safaricom contact centre?
   a) Less than one year
   b) 1-3yrs
   c) 4-6yrs
   d) 5-7yrs
   e) Above 7yrs

PART. A: TECHNOLOGY

1. Do you have a CRM technology in your contact centre?
   a) Yes
   b) No

2. Does your CRM technology enable you to service your customers end to end?
   a) Yes
   b) No
3. Does your CRM enable you to identify your customers whenever they contact you?
   a) Yes
   b) No

4. Do you have an IP base contact centre?
   a) Yes
   b) No

5. If yes, what are its benefits
   a. ____________________________
   b. ____________________________

6. If No, what strategies have you put in place to personalise service offered to your customers?
   a. ____________________________
   b. ____________________________

7. How has the use of technology changed your service delivery to your customers?
   a. ____________________________
   b. ____________________________
   c. ____________________________

**PART B: SERVICE QUALITY AND CUSTOMER SATISFACTION**

8. Do you have measure for the service quality you offer to your customers?
   a) Yes
   b) No

9. What measures do you use for service quality?
   a) Internal
   b) External
   c) Both
   d) We don’t measure
10. If you measure your service quality in your contact centre, how do you do it?
a. 

b. 

c. 

11. Do you offer personalised service in the contact centre? 
a) Yes 

b) No 

12. What channels do your customers use to contact your contact centre? 
a) Voice 

b) Email 

c) Social media 

d) SMS 

e) Email 

f) All of the above 

13. How would you rate your speed in handling your customer contacts? 
a) Very Satisfactory 

b) Satisfactory 

c) Average 

d) Dissatisfactory 

e) Very dissatisfactory 

14. Are you able to resolve all your customer queries on the first contact? 
a) Yes 

b) No 

15. How do you differentiate your customer service from your competitors? 
a. 

b. 

16. What are some of the challenges you face in trying to improve customer service in your contact centre?
   a. ______________________________________________________________
   b. ______________________________________________________________
   c. ______________________________________________________________

17. What strategies have you put in place to ensure that you always offer excellent customer service to your customers
   a. ______________________________________________________________
   b. ______________________________________________________________

Thank you