ANALYSIS OF CUSTOMER SATISFACTION IN THE MOBILE TELECOMMUNICATION INDUSTRY IN KENYA: A CASE OF STUDY OF CUSTOMERS IN MULOLONGO AREA

BY

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DECLARATION

This research project is my original work and has not been submitted for a degree course in this,

or any other University.

Signed. . . . . . .Date. In laoia

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DEDICATION

I dedicate this project to my beloved daughter for her support, understanding and endurance during the entire course and project. MayGod bless you abundantly.

ABSTRACT

Customer satisfaction is a fundamental marketing construct in the last three decades. In the past, it was unpopular and unaccepted concept because companies thought it was more important to gain new customers than retain the existing ones. However, in this present decade, companies have gained better understanding of the importance of customer satisfaction (especially service producing companies) and adopted it as a high priority operational goal. This study aimed at investigation the overall customer satisfaction of the mobile telecoms industry in Kenya, factors influencing satisfaction and the relationship between satisfaction and demographics. A self-administered, structured questionnaire was used to collect data from respondents which were sampled out of the 200 customers targeted in the study, there were 160 completed questionnaires representing 80% response and data was analyzed using descriptive statistics. Cross tabulation was used to compare the existence of relationship between the firms. Mobile phone companies should think of launching their products according to the need of the customers. Price and

network coverage are the two most important components contributing to the customer satisfaction. Customer care service and ease of usage and information access are two other components that are major for satisfaction in the Kenyan industry. This study therefore demonstrates that a successful customer relationship program requires a holisticview of the situation. The service providers in Kenya must realize that apart fromcompetitive pricing; they should vigilantly monitor the core service delivery in term ofsignal quality and network coverage.

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ABBREVIATION AND ACRONYMS

CS   -   Customer satisfaction

CCK   -   Communication Commission of Kenya

ICT   -   Information and Communication Technology

ITU   -   International Telecommunication Union

GSM   -   The Global systems of Mobile Technology

MMS   -   Multimedia Message Services

MTNs -   Mobile Telecommunication Network

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the recent economic environment mobile telecommunications industry has been characterized with high technological competition, which have made the players to pay attention to customer satisfaction which has become extremely important for the success of any business.

During the last fifteen years, mobile communications have been developed in a very significant way. Nowadays, mobile handsets are multimedia, being able to make and receive calls, take photos, play some music and so on. Technologies have been focused not only on functionalities, but also on design and aesthetics of the handsets.

The Global System of Mobile Communications (GSM) is a second-generation digital technology, which was originally developed in Europe and in less than ten years after the commercial launch, it developed into world's leading and fastest growing mobile standard (GSM Assoc., 2006). Lonergan et al. (2004) stated that at the beginning of 2004, there were over 1.3 billion mobile phone users worldwide and by 2007, the demand for mobile services would have grown at an average annual rate of 9.1%. The GSM Association estimates that the GSM technology is used by more than one in five people of the world's population, representing approximately 77% of the world's cellular market and is estimated to account for 73% of the world's digital market and 72% of the world's wireless market (GSM Assoc., **2006).**

This growth principally results from the establishment of new networks in developing countries rather than from an increase in mobile access lines in developed countries (Serenko and Turel, 2006). African countries arc actively involved in the establishment of the mobile services and specifically, Kenya is the focus of this study. Gerpott et al. (2001) argued since 1990s, the telecommunications sector has become an important key in the development of the economy of developed countries. This results from the saturated markets, de-regulation of telecommunications industry (removal of monopoly rights, especially enjoyed by state-owned

telecoms networks), and increasing number of mobile service providers, enormous technical development and intense market competition.

1.1.2 The Concept of Customer Satisfaction

Customer satisfaction is composed by "two components: client expectations and the perceived quality. A proper measure of satisfaction includes a separate assessment of both client expectations and the quality of provided service. (Parasuraman, A., V. A. Zeithaml, and L. L. Berry; 1985, 1988) approached customer satisfaction in the same way by demonstrating that customer satisfaction is a function of "the difference scores or gaps between expectations and perceptions (P - E)". According to Parassuraman et al (1985, 1988), customer satisfaction is only achieved "if actual perceived quality surpasses the consumer's expectations".

Customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Anderson, Forneli, and Lehmann, 1994; Gro'nroos, 1984; Lovelock & Wirtz, 2007). The concept has been variously defined by many authors. "Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation" (Kotler & Keller, 2006 p. 144). Satisfaction is a "psychological concept that involves the feeling of wellbeing and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service" (WTO, 1985). CS is "as an attitude like judgement following a purchase act or a series of consumer product interactions" Youjae Yi (1990 cited in Lovelock & Wirtz 2007).

Customer satisfaction is "a consumer's post purchase evaluation and affective response to the overall product or service experience" (Oliver, 1992). "Satisfaction is merely the result of things not going wrong; satisfying the needs and desires of consumers."(Besterfield 1994); CS is "an experience-based assessment made by the customer of how far his own expectations about the individual characteristics or the overall functionality of the services obtained from the provider have been fulfilled" (Bruhn, 2003).

The object of customer satisfaction may be varied and can be related to different dimensions of multiple experiences with product/service provider (Surenshchandar et al. 2002 cited in Satari, 2007). While most definitions expectarelate customer satisfaction to quality of a product or service offering (Kotler & Keller, 2006; www.theacsu.org), satisfaction can as well be related to other non-quality dimensions (Singh 1991; Garland and Westbrook. 1989). It may be related to an on-going business relationship or with price-performance, satisfaction with the time or service delivery or the service experience, service context and satisfaction with entire reputation and outlook of an organization.

Jackson et al. (1996), Platow et al. (1997), and Homburg and Giering (2001) expressed that customer behaviours and attitudes are greatly influenced by demographic, situational, environmental and psychological factors and these factors can be used by companies and policy makers to develop strategies to meet different needs of the different customer segments. Hence, there is need to gain more understanding of the influence of these factors on customer satisfaction.

1.1.3 Telecommunication Industry in Kenya

Since the beginning of the liberalization of the telecommunications sector in 1999, Kenya has seen fast internet growth and even faster mobile phone growth. Encouraged by this development, the government has plans to turn Kenya into East Africa's leader in Information and Communications Technology (ICT). Since1999, Kenya has experienced radical changes as the liberalization process of the telecommunications sector began. Of vital importance to the process was the establishment of the Communications Commission of Kenya (CCK) in February of that same year through the Kenya Communications Act, 1978. CCK's role is to license and regulate telecommunications, radio communication and postal services in Kenya. Since then a visible boost has gripped the industry (http://www.kenyarep-**jp**.com/business/telecommunications_e.html).

The telecoms industry in Kenya, just like the rest of the world, is going through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry. Markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital - much of it originating from private sector participants. The result is new markets, new players, and new

challenges. Market liberalization efforts have also picked up ensuing the successful partial privatization of Telkom Kenya Ltd (December 2007), divestment of Government of Kenya 25%stake in Safaricom Ltd through a public listing (May 2008), and the launch of fourth mobile operator Econet Wireless Kenya (November 2008). This has resulted into some of the world's best known telecommunication providers - Vodafone, France Telecom's and Essar Communications through their investments in Safaricom Limited, Telkom Kenya Limited and Econet Limited respectively - being major players in the Kenyan market.Ongoing infrastructural developments by operators have largely been focused on network expansion for increased nationwide coverage (http://www.pwc.com/ke/en/industries/telecommunications.jhtml).

Kenya mobile telephony industry now accounts for 7% of mobile phone subscribers in sub-Saharan Africa. Kenya had 17.4 million mobile phone subscribers by end of June 2009, translating to 45.7% penetration. The International Telecommunications Union (ITU) report says Kenya has the third highest number of subscribers, after Nigeria and South Africa that respectively account for 26% and 19% of mobile cellular subscriptions in sub-Saharan Africa.

According to another report by Pyramid Research, mobile penetration in Kenya's telecom market will grow by 95% over the next five years. "Kenya shows impressive growth rates with significant opportunity," notes Dearbhla McHenry, analyst at Pyramid Research and author of the report. "By the end of 2008, Kenya had more than 15 million mobile subscribers, with a mobile penetration rate of 39%. The subscriber base is expected to rise to 29.28 million, or 66.7% penetration, by year-end 2013."Total revenue of Kenya's telecom market is forecast to grow by 42% from US$1.39 billion in 2008 to US$1.98 billion by 2013, with 78% of the total revenue to be generated by the mobile sector."Mobile data will be the telecom sector's fastest-growing revenue stream, increasing in revenue from US$62 million in 2008 to US$224 million in 2013, partly due to the launch of 3G services but also to the explosive growth of low-tech, low-margin mobile data services, particularly mobile money transfers," says McHenry.

Both end-users and industry players still face significant challenges in increasing ICT uptake levels."These include the lack of full liberalisation of markets and the limited availability of infrastructure. In addition, prices for ICT services remain very high, compared to income

levels, and broadband Internet services are out of the reach of most Africans," said ITU in the rep (http://www.bizcommunity.com/Article/l 11/78/43445.htm)

A price war has characterised Kenya's mobile communications market in recent years, following the market entry of the third and fourth network, Econet Wireless Kenya (in which India's Essar acquired a stake), and Telkom Kenya under the Orange brand with its new majority shareholder, France Telecom. Subscriber growth is now forecast to slow gradually over the coming years, and rapidly falling ARPU levels have driven one of the incumbents, Zain (which was subsequently acquired by Bharti Airtel), deeper into negative earnings, leaving only the market leader, Safaricom, with a net profit, although reduced. Financial performance has improved again in the 2011 financial year.The operators are developing new revenue streams from third-generation broadband and mobile banking services. The leading operator has begun LTE trials. With market penetration rates in Kenya's broadband and traditional banking sector still very low, the mobile networks have an opportunity to relive the phenomenal growth rates seen in the voice sector in recent years. This report contains an overview and analysis of Kenya's mobile market, profiles of the major players, relevant statistics, analysis, and subscriber forecasts for 2013 and 2016.Companies covered in this report: Safaricom (Vodafone);Bharti Airtel (formerly Zain, Celtel); Essar Telecom Kenya (Yu, formerly Econet);Telkom Kenya (Orange, France Telecom(http://www. budde.com.au/Research/Kenya-Mobile-Market-Overview-Statistics-and-Forecasts.html)

1.1.4 Mobile Communications in Kenya

Technological advancement and regulatory restructuring have transformed the telecommunication industry. Markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital. The result is new markets, new players, and new challenges. As access to mobile phones and (to a lesser extent) internet expands, development organizations want and need to know how these ICTs are affecting the flow of information and the implementation of development projects. To be sure, these technologies already are being applied in a number of development projects. But better knowledge of the user environment is likely to generate more successful outcomes in many projects. Mobile phones are becoming widespread in Kenya, with 42 mobile phone subscriptions per 100 people in 2008, compared to an average of 32 per 100 for Sub-Saharan

Africa as a whole. The level of access has grown rapidly since 2003, when Kenya was on par with the continent's average, which at that time were five mobile phone subscriptions per 100 people. Much of the growth has come from the expansion of a single company, Safaricom, which began as part of the state telecommunications monopoly but was partially privatized in 1997 and became a public company in 2002. Safaricom's strategy has focused in large part on low-cost, pay-as-you-go plans that are affordable even for households below the poverty line. By contrast, landline telephone coverage remains largely inaccessible, with less than one telephone line per 100 people. Investment in ICT has focused instead on bringing mobile and internet access to all parts of the country.

1.2 Research Problem

Organizations are increasingly being customer centric and are embracing customer-driven initiatives that seek to understand, attract, retain and build intimate long term relationship with profitable customers (Kotler, 2006; Gro'nroos, CI994; Narver and Slater, 1990). Modem organizations are much interested not just in acquiring new customers, but more importantly, retaining existing customers. This is perhaps because it costs more to attract new customers than to retain existing ones. It is believed that the average business spends six (6) times more to attract new customers than to retain old customers. Again it is more profitable retaining an old customer who is more likely to re-purchase or re-use a company's products/services and recommend them

to others. Customer satisfaction (CS) is central to the customer- centric paradigm shift, and has gained much attention from scholars and practitioners as it has become one of the cardinal means for achieving quality improvement programmes, and one of the crucial foci of strategic marketing management in business organizations that have long-term perspective for growth.

Alhemound (2007) investigated customer satisfaction in the banking sector in Kuwait. His study used a sample of 605 randomly selected retail customers. Using descriptive statistics, Correlation and ANOVA tests, his results showed that, in general, customers in Kuwait are satisfied with services provided by retail banks.

Mutua (2010) undertook a research on the influence of business process re-engineering on customer satisfaction on Kenya Power and Lighting Company Ltd.

Kinyua (2009) studied on the linkage of internet banking and customer satisfaction in commercial banks in Kenya. The result of her study showed that there is clearly a strong and positive relationship between automation of a firm's process and customer satisfaction in the banks' services and products. The convenience attributed with internet banking was found to be a critical factor that will determine the level of customer satisfaction

To the best of the researchers' limited knowledge no study has been conducted to examine the CS in Kenya's MTNs. So there is the need to empirically access and analyze the phenomenon for managerial implications Factors affecting customer satisfaction in telecommunication industry has not been studied extensively, and it therefore justifies a study on factors affecting customer satisfaction among mobile phone users. This study seeks to determine factors affecting customer satisfaction among Mobile Industry in Kenya. Therefore, "What are the factors that determine customer satisfaction?

1.3 Research Objectives

To determine the factors that affect customer satisfaction in the mobile industry in Kenya a case study of Mulolongo area customers.

1.4 Value of the study

The study contributes significantly in diverse ways to business/marketing practitioners, policy makers and stakeholders. To the management of Kenya's mobile telecom networks, the findings and results that will be reported in this study will provide a more reliable scientific measure and perspective for describing and evaluating the overall customer satisfaction with the services they deliver.

Policy Makers:-To policy makers like government agencies such as the Ministry of Communications and Information and the Communications Commission Of Kenya, the finding and results of this study will provide invaluable insights and a more reliable guide to monitoring the impact of the operations of Kenya's MTNs and measuring their respective policy goals and objectives. To stakeholders like investors, shareholders, employees, pressure groups, consumer associations, among others, the study will provide invaluable information that will allow them to provide useful suggestions to the improvement in service delivery of their respective mobile network operators in Kenya.

Academic:- Firstly, the answer from this research will be highly importance to the academicians as the results from this research indicate how customers' satisfaction determines their decision to

use the selected and maintain their relationship with their mobile service provider. This type of information are of significance to marketers of they want to compete in the global market.

Industry: - The findings of this study will have many important implications on the industry. The services provider will have better information on what makes customers loyal or disloyal. With all the information that they gather enable them to create new competitive advantage and provide better service to their customers. In lacking of this knowledge, service providers will incur higher cost due to the implication of wrong strategy. To face this special challenge in meeting customer needs while remaining economically competitive. The service provider needs to use automated processes that can make an impact to the services.

Managerial Implications: - Managers must be aware of how rapidly today's world is changing in terms of technology. Service providers should not only depend on the marketing department to deliver good strategies, but they have to maximize the contributions and commitments from cach and everyone in the organization to seek customer reaction and suggestions in designing a new product and ways to offer more value to the customer. Managers also need to find new ways to improve their service quality by listening more to their customer and simultaneously gather more information for them to improve their services.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The mobile communication industry in Kenya is experiencing rapid growth. This is a direct consequence of a high rate at which cellular technologies are emerging in the world and consequent increase in economic activities. The significant introduction of new products such as

m-Pesa, Zap, yuCash and M-Kesho, reduction in the costs of mobile phone handsets, reduction in call charges and the growth of mobile penetration in Kenya have also fueled the expansion of this industry. Currently, there are about 19.4 million mobile phone subscribers in Kenya (CCK, 2010) and this is expected to rise to 29.28 million, or 66.7% penetration, by the year 2013 (ATMR, 2009; ITU, 2009). To support the growing demand of mobile services, the Communications Commission of Kenya has, at the moment, licensed four mobile operators: Safaricom (80.25%), Zain (12.11%), Orange (4.27%) and YU (3.37%) under the category of the Network Facility Provider (NFP) in a unified licensing framework, commanding and subscriber-base respectively (CCK, 2010; AWC, 2010). These operators use Global System for Mobile communication (GSM) or 2Gtechnology, and are advancing towards adopting the 3G technology.Mobile phones transmit and receive signals, via a base station system, using radio waves.

Several studies have shown that it costs about five times to gain a new customer as it does to keep an existing customer (Naumann, 1995) and these results into more interest in customer relationships.

2.2 Customer satisfaction

Jackson et al. (1996), Platow et al. (1997), and Homburg and Giering (2001) expressed that customer behaviours and attitudes are greatly influenced by demographic, situational, environmental and psychological factors and these factors can be used by companies and policy makers to develop strategies to meet different needs of the different customer

segments. Hence, there is need to gain more understanding of the influence of these factors on customer satisfaction.

Customer satisfaction not only plays an essential role in marketing, but also a critical factor in persuading consumers to make repurchases (Churchill & Surprcnant, 1982). However, in conflict with the traditional concept of consumer satisfaction, Oliver & Swan (1989) argued that satisfaction is an emotional factor. Thus, satisfaction can be considered as a reflection of life experience: it is a subjective view based on personal experience, individual beliefs and relationships. Parasuraman, Zeithaml and Berry (1990) proposed that the concept of satisfaction could be equated to the gap between real-life experiences and expectations. Post-purchase behavior could be expressed in several aspects. On the positive side, it may be referred as "brand loyalty". The "referral inclination" used in this study is one form of brand loyalty in post-purchase behaviors. On the negative side, it is manifested in the forms of complaints, brand replacement, or negative publicity. (Kotler, 2002)

According to Parasuraman, Zeithaml, and Berry (1994), loyalty may be exhibited by the following five aspects: 1. commend the company to other persons; 2. recommend the company to inquirers; 3. encourage people to consume with the company; 4. regularly do business or shop with the company; and 5. give priority consideration to the company in the next shopping or business opportunity. Griffin (1995) deemed that loyal customers would behave as following: 1. make purchases regularly; 2. be willing to purchase all types of products offered by the company; 3. be willing to build up a good image for the company; and 4. quite immune to the sales or marketing campaigns of other companies.

Jones & Sasser (1995), they perceived that loyalty is performed through the following three behaviors: 1. willingness to purchase again; 2. primary behaviors: including the number of times, frequencies, amounts, and quantities consumed by the customer most recently; and 3. secondary behaviors: willingness to recommend or introduce the company to other parties. Fredericks (2000) indicated that loyalty may be expressed through the following behaviors: 1. large volumes of purchases; 2. high frequency of purchases; 3. less sensitivity on price; and 4. brings new customers to the company. Chaudhuri & Holbrook (2001) defined loyalty under the following two dimensions: faithful devotion (meaning the customer strongly identify with the brand), and loyal behavior (meaning the customer is willing to make repeat purchases).

2.3 Factors affecting Customer Satisfaction

Customer satisfaction is the overall impression of customer about the supplier and the products and services delivered by the supplier. Following are the important factors that could affect customer satisfaction: Department wise capability of the supplier, Technological and engineering or re-engineering aspects of products and services, Type and quality of response provided by the supplier .Supplier's capability to commit on deadlines and how efficiently they are met, Customer service provided by the supplier, Complaint management, Cost, quality, performance and efficiency of the product, Supplier's personal facets like etiquettes and friendliness, Supplier's ability to manage whole customer life cycle and Compatible and hassle free functions and operations.

The above factors could be widely classified under two categories i.e. suppliers behavior and performance of product and services. The supplier's behavior mostly depends on the behavior of its senior subordinates, managers and internal employees. All the functional activities like customer response, direct product and maintenance services, complaint management etc. arc the factors that rely on how skillful and trained the internal and human resources of the supplier are. The second category is regarding all the products and services. This depends on the capability of supplier to how to nurture the products and service efficiently and how skilled the employees are. It's all about how the skills are implemented to demonstrate engineering, re-engineering and technological aspects of the products and services. The quality and efficaciousness of the products is also an important factor that enables compatible and hassle free functions and operations. This bears to lower maintenance and higher life of the product which is highly admired by the customers.

Having discussed the above factors that affect customer satisfaction we can say that higher the satisfaction level, higher is the sentimental attachment of customers with the specific brand of product and also with the supplier. This helps in making a strong and healthy customer-supplier bonding. This bonding forces the customer to be tied up with that particular supplier and chances of defection are very less. Hence customer satisfaction is very important panorama that every supplier should focus on to establish a renounced position in the global market and enhance business and profit. The other factors include:-

Promotion

Promotion is a form of cooperate communication that uses various methods to reach a targeted audience with certain message in order to achieve specific organization object l(www.wikipedia.com/promotion). According to Onwuchuruba (2002:115) will depend on services and products price offers, distributions system and promotional programmed. Here, services of the telecommunication organizations that satisfy consumers require crucial decision as; the features and introduction of new services products, service product life cycle, modification or deletion of existing and unprofitable services products and the elongation of the life span of a services product.

Service Quality

Parasuraman et al. (1985) suggested that benefits gained from creating and maintaining quality of service are greater than the cost to reach or as a result of poor quality. Superior service quality and consistency can lead to customer satisfaction which in turn will provide various benefits, such as: (1) the relationship between the company and its customers will bccome more harmonious, (2) provide a good basis for re-purchase activities, (3) encourage customer loyalty, (4) creating a recommendation by word of mouth (word of mouth) that benefit the company, (5) to be a good corporate reputation in the customer's mind, and (6) company's profit will be increased. The implication of these benefits is that each company must realize the strategic importance of quality. Continuous quality improvement is not a cost but an investment to generate greater profits.

Figure 1: Perceived Service Quality Model
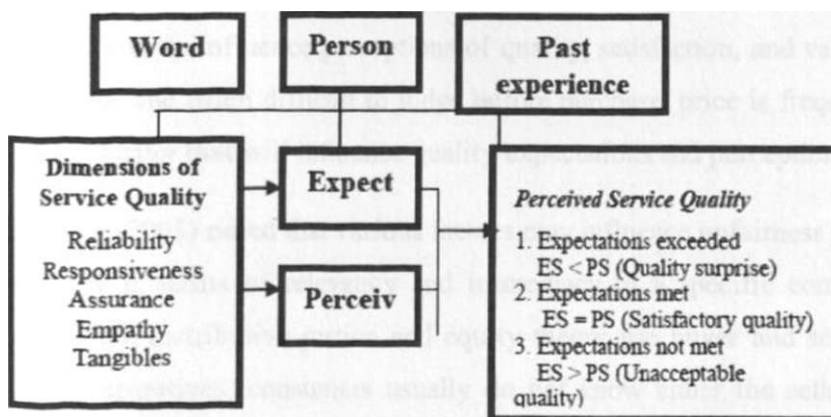
Source: Parasuraman. et al. (1985)

Zeithaml & Bitner (1996) explained that the quality of service is the excellence or superior service delivery process to those with consumer expectations. There are two main factors that affect the quality of services, namely: expected service and perceived service. If the service is received as expected then the service quality is good or satisfactory, but if the services received exceed the expectations will be very satisfied customer and perceived service quality is very good or ideal. Conversely, if the service received is lower than expected then the perceived poor quality of services. Quality of service will depend on how much the service provider's ability to consistently meet the needs and desires of consumers. There are two main aspects that describe and affect both service quality; the actual service customers expected (expected scrvice) and services perceived (perceived service). Parasuraman, et al. (1985) explained that the creation of customer satisfaction for a service can be identified through a comparison between service perceptions with service expectation.

Customers determine satisfaction level of any purchased service by the perceptions of quality received. Therefore, customer satisfaction assessment captures service quality and in this study, the previous factors used to measure service quality (call quality, billing, customer support, etc) of mobile telecoms will be used to assess customer satisfaction.

Price

Monroe (2003) contcnt that, the effect of price on satisfaction has received considerably less research attention than have the roles of expectations and performance perceptions). Post-purchase price perceptions have a significant, positive effect on satisfaction (Voss, Parasuraman, and Grewal 1998). Zeithaml and Bitner (2000) contended that price of the service can greatly influence perceptions of quality, satisfaction, and value. Because services are intangible and often difficult to judge before purchase, price is frequently relied on as an alternate indicator that will influence quality expectations and perceptions.

Bolton et al. (2003) noted that various factors may influence unfairness price perception. The factors vary in terms of relevancy and immediacy to a specific comparative transaction. Although both distributive justice and equity theory use buyer and seller input and output ratio as comparatives, consumers usually do not know either the seller's cost structure or other pertinent information to determine the seller input accurately. Thus, a pricc fairness judgment most likely is based on comparative transactions that involve different parties. Thus when perceived price discrepancies occur, the degree of similarity between the transactions is

an important element of fairness judgments. Moreover, a fairness judgment also depends on the comparative parties involved in the transactions. According to Xia et al., (2004), there are three different factors that influence price fairness of consumers; transaction similarity and comparative other parties, the cost profit distribution, buyer seller relationship and trust.

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Product Attributes

Oliver (1997) defined satisfaction as the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over fulfillment. On the other hand, Anderson and Mittal (2000) recognized the opposite to hold true, namely that attribute satisfaction does not necessarily lead to overall satisfaction. They argue that the impact of attribute satisfaction may have an increasing or decreasing return, depending on the nature of that product/service attribute.

Dissatisfaction-prone attribute performance (e.g. core service/product) will have a more significant impact on customer satisfaction at a lower level, whereas satisfaction prone attribute performance (e.g. auxiliary service/ product) will have a less significant impact on customer satisfaction at a higher level. Anderson and Mittal (2000) also recognize that the nature and extent of the unevenness can be different for different customer segments, and will depend on how long they have been with the firm. For a nonlinear relationship, Anderson and Mittal (2000) point out that consecutive performance increases in certain types of attribute will have less of an impact on satisfaction. Marketing practitioners are therefore advised to prioritize resource allocation, based on an asymmetric and non-linear perspective of the attribute-overall satisfaction relationship

Customer Experiences

Customer experiences is the sum of all experiences of customer has with marketer of good and service, over the duration of the relationship with their marketer. It can also be used to mean an individual experience over one transaction, the distinction is user usually clear in context (www.en.wikipedia.org). Providing a unique customer experiences is the key to winning the hearts and minds of consumers in the new millennium. Their work indicated that consumers value the experiences of goods or services more than its actual tangible. In fact the experiences become a key element of the overall product being purchased and consumed (Pine & Gilmore, 1990).

Brand

Brand satisfaction can be defined as (Engel, Blackwell, & Minard, 1990) the outcome of the subjective evaluation that the chosen alternative (the brand) meets or exceeds the expectation. This definition is in line with the may definition of satisfaction based on the disconfirmation paradigm (Oliver, 1980) found in the literature. The notion that stands out in almost every definition of satisfaction is the notion of a comparison between experiences and (brand) performance. Branding today is the formal introduction of the company, what is stand for, and the product it provides the customer. A brand is a promise or a set of guidelines in the mind of the customer about what the company will do it, it defines the company and gives the

specific value to ring the company to the market (Stephens, 2001). The American marketing association defines a brand as a name, term, symbol, design, or combination of them, intended of them, intended to identify good and services of one seller, or group of sellers, and to differentiate them from those of competition (Rayport & Joworski, 2001).

Figure 1:- factors that affect customer satisfaction
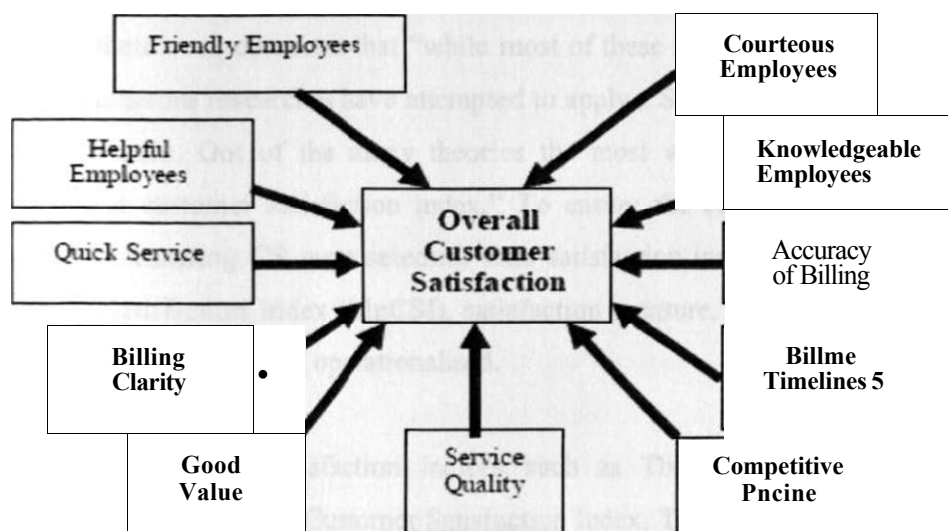
Source :- The Importance of Customer Satisfaction in Relation to Customer Loyalty and Retention by Hokanson (1995).

2.4 Customer Satisfaction and Customer Loyalty

Satisfaction is a feeling which results from a process of evaluating what was received against that expected, the purchase decision itself and the fulfilment of needs or want Armstrong & Kotler, (2005). Kotler, (2009) also noted that satisfaction is a person feeling of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to their expectation. Bitner and Zeithaml, (2003) stated that satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Fe and Ikova, (2004) added that the perception of the word "satisfaction" influences the activities which we conduct to achieve it. Researchers have also identified customer satisfaction from a multi dimensional nature and view overall satisfaction as a function of satisfaction with multiple experiences with the service provider (Sureshchandar *et al.,* 2002) (as in Parvez, 2005). According to Lee, Lee & Feick, (2001)while both service quality and customer satisfaction have certain things in common,

satisfaction is generally viewed as a broader concept than service quality assessment; thus, perceived service quality is a component of customer satisfaction Zeithaml and Bitner, (1996) (as in author Lee, Lee & Feick, 2001).

2.5 **Measurement of Customer Satisfaction**

Oh and Parks (1997) identified nine methods for measuring CS, which arc: expectancy disconfirmation, assimilation or cognitive dissonance, contrast, assimilation contrast, equity, attribution, comparison-level, generalized negativity and value-precept. Pizam & Ellis (1999, p.327) in their work comment that "while most of these are based on cognitive psychology, recently numerous researches have attempted to apply CS theories developed by behaviourist in several areas. Out of the many theories the most widely used is the disconfirmation theories and customer satisfaction index." To ensure the consistency of the results, three models of measuring CS were selected: One satisfaction index, specifically the Minnesota Customer Satisfaction Index (MnCSI), satisfaction measure, and disconfirmation measures. Each model is justified and operationalised.

MnCSI:Of the many satisfaction indices such as The Swedish Customer Satisfaction Barometer, The American Customer Satisfaction Index, The European Customer Satisfaction Index, The Minnesota Customer Satisfaction Index (MnCSI,) was chosen because it is very stable using three questions that ask about the same idea—total satisfaction; it is also easy to apply, and it is relatively flexible and suitable for any reasonable number of responses deemed appropriate by a researcher. Interestingly the model of MnCSI succinctly captures the tenet variables of disconfirmation models: desire and expectation disconfirmations. This index was modified since

customers were given five (5) responses to the three questions to reflect the value or weights of the five-likert scale that were used as shown below: The following procedure for calculating the MnCSI with respective to and irrespective of mobile telecom network is outlined in Appendix C.

Disconfirmation Models (DMs) MnCSI (modified)

$$= \left(\frac{\text{Question 1 - 1}}{4} \times 33.3 \right) + \left(\frac{\text{Question 2 - 1}}{} \times 33.3 \right) + \left(\frac{\text{Question 3 - 1}}{} \times 33.3 \right)$$

Source: DEED (Minnesota)

http: /www.deed.state.mn.us/customersurvey/csi.htm

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the overall methodology that wills be used in this study. This will includes the research design, population of the study, sample size, data collection methods and data analysis and presentation.

3.1 Research Design

The study employed a cross-sectional survey which was appropriate for seeking the opinion of the target population about a phenomenon, with a researcher designed questionnaire for data collection to answer the research questions (Cooper and Schindler, 2006).put it; it is appropriate for educational fact-finding and yields a great deal of information, which is accurate. It also enabled the researcher to gather data at a particular point in time and use it to describe the nature of the existing conditions. The study adopted a survey research design this is because it measures variables by asking people questions and then to examine relationships among the variables. The survey will also help in capturing attitude or patterns of past behavior. This design provides further insight into research problem by describing the variables of interest. The study used empirical cross-sectional design in which data are gathered just once in a single point in time over a period of time in order to answer a research question, that is, a survey of Mobile Phone customers in Mulolongo area. The cross sectional study was adopted because it provided a quick snapshot of what will be going on with the variables of interest for the research problem.

3.2 The target Population of Study

The target population comprised 22 million as defined in mobile telecommunication individual subscribers as of December 2011 (CCK 2012) from four mobile telecom networks in Kenya; namely: Safaricom, Aitel Kenya, Kenya Telecom -Orange and Yu telecom. The researcher collected data from customers of the Mobile companies of Kenya which were stratified and judgmentally selected because they could be offer easier access and most conversant with Mobile satisfaction represents the case institution and how they could benefit in the study. The population of the study consisted of Mobile Phone Service customers with

the major four service providers namely Safaricom, Airtel, Orange and Yu. Mululongo area in Eastern Kenya. It is a suburb town of Nairobi city in Kenya, The selection of the Mulongo as the area of the research coverage was due to the diversity of customers and the level of concentration of the inhabitants and hence the researcher believes the location will provided a more representative result of the study.

3.3 Sampling Design

As Kombo and Tromp (2006) point out, an effective sample population should be diverse, representative, accessible and knowledgeable on the topic being investigated. The research used stratified random and judgmental sampling in selecting respondents. The population was segregated into several mutually exclusive sub populations or strata herein referred to as Stratum networks as shown in Table 2 The research appllied proportionate stratification that is based on the stratum's share of the total population to come up with the sample in each stratum. Stratified and judgmental were used to select a sample that was used to select a sample of 200 customers drawn from Mulolongo area in Machakos. For confidentiality, each of the four companies used in this study is represented by a letter (A. B, C and D).

Table 1 Stratified Random Sampling by Mobile Network

Stratum of Mobile Network	Estimate of Total Subscribers	Expected Sample size for Strata
Safaricom (A)	76%	156
Airtel (B)	13%	26
Orange (C)	7%	14
Yu (D)	4%	4
TOTAL	**100%**	**200**

Source: CCK Market share index 2012 and survey data

Table 2: Sample Frame

Participants	Total No. (N)	Sample(n)	Percent (%)
Safaricom	17M	156	76%
Airtel Kenya	3M	26	13%
Orange	0.9M	14	4%
Yu	1.5M	4	7%

Source:-Author data and CCK 2012

3.5 Sampling Procedure

Due to resource constraints, the populations of the study was restricted to 200 Customers in Kenya. Convenient sampling was used to select the sample. Business Directories and physical mapping of the centres. Based on the list, respondents were randomly selected stratified according to their locality/centre. These centers were contacted to obtain cooperation to fill up the questionnaires as well as their consent for an interview. Upon receiving their consent, a cover letter of the questionnaire contained information on the survey and questionnaire emails sent to them.

3.5 Data Collection Procedures

A self-administered, structured questionnaire (Appendix A) was used to collect data from respondents as recommended for a large survey (Saunders et al 2000; Cooper and Schindler 2006; Malhotra & Birks 2007). The questions sought respondents' feelings about overall customer satisfactions. The questionnaire had five (5) items related to respondents' identification data, and three (3) related to CS. The questionnaire pre-tested to a sample of twenty (20) subscribers selected by simple random method. This small size was guided by the suggestion by Fink (2003b in Saunders et al 2007) that the minimum of ten (10) members for pre-testing is adequate. Each of them were told the purpose of the questionnaire and assured of anonymity and confidentiality of responses before they were given the questionnaire to respond to. Finally, after adjustments were made to get more effective instruments, the questionnaire was administered to the target population through personal contact by

researchers. Again, respondents were first informed of the purpose, assured of anonymity and confidentiality of responses. They were given the questionnaire to fill; left to them, after which they submitted the questionnaire to us. In order to get a more representative sample of the entire target population, the questionnaire was administered to respondents of Mulongo in Machakos county

3.6 Data Analysis and Presentation

The data was analyzed by the use of descriptive statistics to summarize and relate variables which will be attained from the administered questionnaires. The data will be classified, tabulated and summarized using means, standard deviation, and frequency distribution. Tables were used for presentation of the findings. However, before final analysis performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. Cross tabulation was used to compare the existence of relationship between the firms. In accomplishing all analysis details with efficiency and effectiveness, the researcher utilized both the spreadsheets and the Statistical Package for Social Sciences (SPSS) software.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents an analysis and findings of the study. Out of the 200 customers targeted in the study, there were 160 completed questionnaires representing 80% response .The response was considered to be adequate and representative to allow generalizations of the findings. This was considered satisfactory in line with Mugenda and Mugenda (1999) observation that a response rate of 50% is sufficient for purposes of statistical analysis . The chapter is structured along the research questions of the study and is a representation of the data collected using the questionnaire attached as an Appendix at the end.

4.1 Sample Characteristics

Data from the questionnaires was administered to the respondents and is presented and analyzed according to the background information (Service provider, gender analysis, age bracket, academic qualifications occupation and years of usage of the line by the respondents in section A while section **B** of the questionnaire stressed on state questions of Yes and No and Section C zeroed factors affecting mobile customer satisfaction survey

4.2 Demographic information of respondents

4.2.1 Gender

Table 1 shows majority of the respondents were males at 55. % (88) while females were at 45% (72) which indicates the majority were male.

Table 1: Gender

VARIABLE	Classification of the Variable	Frequency	Percentage
Gender	Male	88	55.00%
	Female	72	45.00%

Source **data:** survey **(2012)**

4.2.2 Age

The age division of the total sample is more or less expected. Youngest to answer were below the age of 20 bracket and the oldest was 60 years. Respondents 21-30 years were 46.25%, 41-50 years were 20%, 31-40 years were 16.25% and 51-60 years were 6.25%. This result indicates that the respondents were old enough and had used mobile phones for a long time making them relevant. As shown in table 2.

Table 2: Age

VARIABLE	Classification of the Variable	Frequency	Percentage
	Below 20	18	11.25%
	21-30	74	46.25%
Age	31-40	26	16.25%
	41-50	32	20.00%
	51-60	10	6.25%
	Over 60	0	0.00%

Source **data:** survey (2012)

4.2.3 Education levels of the respondents

Table 3 shows responses were received from customers with various education levels, from Pnmary school to University Master's Degree. Most of the respondents have received as the highest level of education at least university degree to Diploma and below were represented at 65.62% while masters totaling to 34.38% while the rest are of 5.63% This showed that the subjects would easily understand the questions and respond accordingly.

Table 3: Education level

VARIABLE	Classification of the Variable	Frequency	Percentage
Educational Level	Masters	7	4.38%
	Degree	48	30.00%
	Diploma	34	21.25%
	Secondary	30	18.75%
	Primary	32	20.00%
	Others	9	5.63%

Source data: survey (2012)

4.2.4 Religion

Responses were received from customers with various religions indicate that Christians at 80% Islamic respondents were 11.88%, others at 5.63 and Hindu respondents were 2.50%. This indicates majority of the respondents were Christians as shown on Table 4.

Table 4: Religion

VARIABLE	Classification of the Variable	Frequency	Percentage
Religion	Islam	19	11.88%
	Hindu	4	2.50%
	Christian	128	80.00%
	Others	9	5.63%

4.2.5 Service Provider

Table 4 indicates respondents were asked about t the type of service providers they were using and they were displayed all the providers in Kenya currently. 70.63% of the customers said that they have safaricom, Airtel customers were 16%, Yu was 7.50% while orange was 5.63% and of the customers. These results were consistent to the planned sampling that the researcher had chosen.

Table 4: Service Provider.

VARIABLE	Classification of the Variable	Frequency	Percentage
	Orange	9	5.63%
Service Provider	Safaricom	113	70.63%
	Yu	12	7.50%
	Airtel	26	16.25%

Source data: survey (2012)

4.2.6 Occupation

Responses were received from customers in respondents to occupation and employer status, respondents who are employed by the private sector were 20.63% the self-employed customers were 18.13% while the rest unemployed were represented at 16.25% as on table 6.

Table 6: Occupation

VARIABLE	Classification of the Variable	Frequency	Percentage
	Government Sector	24	15.00%
	Private Sector	33	20.63%
Occupation	Self Employed	29	18.13%
	Student	48	30.00%
	Unemployed	26	16.25%
	Others	0	0.00%

Source **data:** survey (2012)

4.3 **Customer satisfaction**

4.3.1 **Years of Usage of mobile line**

The survey results show that a large proportion of customers have used their mobile line for over five years totaling to about 76.23% while those who have used it for less than five years are represented at 23.77%. This indicates majority were satisfied as on Table 1.

Tablet: Years of Usage of mobile line

VARIABLE	Classification of the Variable	Frequency	Percentage
Years of Usage of mobile line	less than 2	11	6.88%
	2-5	27	16.88%
	6-10	57	35.63%
	over 10	65	40.63%

Source data: survey **(2012)**

4.3.2 Rate of satisfaction with Mobile line

The survey results show that majority of the customers, have moderate extent satisfaction rate of the mobile line usage at 52.50% while great extent was represented at 30.63% and very great extent satisfaction rate at 10%   ironically   very few have low extent at 4.38% satisfaction rate and very low extent at 2.50% satisfaction rate. This shows moderately the respondents are satisfied as on Table 3.

Table3: Rate of satisfaction with Mobile line

VARIABLE	Classification of the Variable	Frequency	Percentage
Rate of satisfaction with Mobile line	Very great extent	16	10.00%
	Great Extent	49	30.63%
	Moderate Extent	84	52.50%
	Low Extent	7	4.38%
	Very Low Extent	4	2.50%

Source data: survey (2012)

4.3.3 Level of Customer satisfaction on mobile phone providers

Survey data collected in regards to level of customer satisfaction indicates:

Innovation Information

69.38% of the subjects felt that mobile companies share and inform consumers about new products and innovations in the market and 38.75% felt that their service providers do not share information as shown in fig 1 below.

Customer Defection

As seen in fig 1, shows that 23.12% of the respondents showed that most

customers do not defect while 78.88% of the respondents indicated that customers can

defect no matter their intentions of repurchase or prior satisfaction.

Profit **Influence on Price**

When asked whether they thought profits influenced price, most of the respondents that

included 70.63% indicated that profit does influence price while 29.38% did not see how

profits influence profits. Table1.

Quality Problems

The subjects were asked whether they had experienced quality problems from their

providers for the last six months and their response were that 53.75% had experienced

problems while 46.52% had not experienced problems as indicated in the table4:

Table 4: Quality factors

NO	CUSTOMER SATISFACTION LEVEL	YES	NO	N
a.	Do you think that mobile companies commit a great deal of time and resources on customer satisfaction?	61.25%	38.75%	160
b. 1	Do mobile companies take initiative to keep customers informed on the new innovations or attempt to establish the challenges that affect them?	69.38%	30.63%	160
c.	Do you think that many customers with high satisfaction and/ or repurchase intentions ultimately defect?	23.12%	76.88%	160
d.	Do you think that perceived price fairness might be the dominant determinant of satisfaction?	70.63%	29.38%	160
e.	Do you think that perceived price fairness might be the dominant determinant of satisfaction?	60.63%	39.38%	160
f.	Do you think that the need to maintain high levels of profits by the mobile companies influences the prices charged by the company?	60.00%	40.00%	160
g-	Have you experienced a service problem with the mobile phone network provider in the past six months?	59.38%	40.63%	160
h.	Was the problem solved to your satisfaction?	60.63%	39.38%	160
i.	Have you experienced a quality problem with of mobile phone network provider in the past six months?	53.75%	46.25%	160
j-	Was the problem solved to your satisfaction?	61.88%	38.13%	160
MEAN		58.06%	41.94%	160

Source data: survey (2012)

4.4 Factors affecting customers' satisfaction in mobile industry

This section addresses the second objective on the factors affecting satisfaction among the mobile service provider customers. The respondents were asked to indicate the extent to they are satisfied with the mobile services using the likert type scale and findings are as shown:

4.4.1 Service Quality towards customers' satisfaction

Zeithaml & Bitner (1996) explained that the quality of service is the excellence or superior service delivery process to those with consumer expectations. There are two main factors that affect the quality of services, namely: expected service and perceived service. If the service is received as expected then the service quality is good or satisfactory, but if the services received exceed the expectations will be very satisfied customer and perceived service quality is very good or ideal. Conversely, if the service received is lower than expected then the perceived poor quality of services On the quality of service factor, the respondents gave varied answers is as in Statement d "Are innovative in the services they bring to market" was rated 3.73 meaning the agreed and as also in Statement c Efficient and no waiting customer service enquires 3.65 yet as indicated in statement e "Communicate openly and honestly with the customers on offers" at 2.88 which is moderate. This indicates that the customers are neutral about the service quality as on Table 1.

Tablet: Service Quality

1 = Very Dissatisfied   2 = Dissatisfied 3 = Neutral 4 = Satisfied 5 = Very satisfied

S no	SERVICE QUALITY	I	2	3	4	5	N	MEAN
a.	Efficiency of services provided	7.50%	17.50%	8.75%	46.25%	20.00%	160	3.54
b.	24 hours customer service operations	16.25%	17.50%	36.25%	21.25%	8.75%	160	2.89
c.	Efficient and no waiting customer service enquires	5.63%	10.00%	28.13%	26.25%	30.00%	160	3.65
d.	Are innovative in the services they bring to market	8.13%	17.50%	15.00%	12.50%	46.88%	160	3.73
e.	Communicate openly and honestly with the customers on offers	13.75%	27.50%	25.00%	24.38%	9.38%	160	2.88

4.4.2 Product Attributes

Survey data in response to Product Attributes factor the respondents moderately agreed and while majority aware in disagreement. Data according to statements a "Clarity of the network" was rated at mean of 3.54 same as the responded from Statement g "Upgrades network 3G/4G/2G" also rated at a mean of 3.49.The level of disagreement were noticeable in the statements d "Visibility of the brand" meaning 2.69 same as in Statement j "Availability of product variety" rated at a mean of 2.90. Anderson and Mittal (2000) recognized the opposite to hold true, namely that attribute satisfaction does not necessarily lead to overall satisfaction. They argue that the impact of attribute satisfaction may have an increasing or decreasing return, depending on the nature of that product/service attribute as indicated on table 2.

Table 2: Products Attribute

1 = Very Dissatisfied 2 = Dissatisfied 3 = Neutral 4 = Satisfied 5 = Very satisfied

S/no	PRODUCT ATTRIBUTES	I	2	3	4	5	N	MEAN
a.	Clarity of the network	11.88%	8.13%	16.88%	40.63%	22.50%	160	3.54
b.	Product availability	10.00%	10.63%	26.88%	34.38%	18.13%	160	3.40
c.	Fast connectivity	15.00%	15.63%	26.25%	19.38%	23.75%	160	3.21
d.	Visibility of the brand	35.63%	14.38%	15.00%	15.63%	19.38%	160	2.69
e.	Locked handsets	7.50%	16.88%	50.63%	15.00%	10.00%	160	3.03
f.	Availability of product variety	15.00%	22.50%	32.50%	17.50%	12.50%	160	2.90
g.	Upgrades network 3G/4G/2G	10.00%	11.25%	21.88%	33.13%	23.75%	160	3.49
h.	Mobile internet	9.38%	18.13%	20.63%	30.63%	21.25%	160	3.36
f.	Clarity of the network	11.88%	8.13%	16.88%	40.63%	22.50%	160	3.54

L

g-	Fast connectivity	15.00%	15.63%	26.25%	19.38%	23.75%	160	3.21
h.	Visibility of the brand	35.63%	14.38%	15.00%	15.63%	19.38%	160	2.69
i.	Locked handsets	7.50%	16.88%	50.63%	15.00%	10.00%	160	3.03
j-	Availability of product variety	15.00%	22.50%	32.50%	17.50%	12.50%	160	2.90
k.	Upgrades network 3G/4G/2G	10.00%	11.25%	21.88%	33.13%	23.75%	160	3.49
l.	Mobile internet	9.38%	18.13%	20.63%	30.63%	21.25%	160	3.36

4.4.3 Value Added Services

The responses from the value added services of the mobile firms to the customers are seen to be key in raising the customer satisfaction as evidence in Statement b "Money transfer services" is seen to be a good for customers at a mean of 4.06 meaning they agreed. While the Statement c "Credit availability opportunity" and Statement e "Roaming services" were rated at means 3.73 and 2.93 respectively as shown on table 3.

Table 3: Value Added Services

1 = Very Dissatisfied   2 = Dissatisfied 3 = Neutral 4 = Satisfied 5 = Very satisfied

S/no	VALUE ADDED SERVICES	I	2	3	4	5	N	MEAN
a.	Reward points	15.63%	14.38%	28.13%	31.88%	10.00%	160	3.06
b.	Money transfer services	7.50%	8.75%	11.25%	15.00%	57.50%	160	4.06
c.	Credit availability opportunity	5.00%	9.38%	15.00%	48.75%	21.88%	160	3.73
d.	Easy recharge services	7.50%	15.00%	55.63%	9.38%	12.50%	160	3.04
e.	Roaming services	**11**.88%	27.50%	30.00%	16.88%	13.75%	160	2.93

4.4.4 Price of the Product/ Service

Monroe (2003) content that, the effect of price on satisfaction has received considerably less research attention than have the roles of expectations and performance perceptions). Post-purchase price perceptions have a significant, positive effect on satisfaction (Voss, Parasuraman, and Grewal 1998). Zeithaml and Bitner (2000) contended that price of the service can greatly influence perceptions of quality, satisfaction, and value. Because services are intangible and often difficult to judge before purchase, price is frequently relied on as an alternate indicator that will influence quality expectations and perceptions. Price of the Product/ Service factor of customers satisfaction results indicate that majority of customers were neutral with the price factor as evident in Statement i "the operators offers a lot of other support services" at 3.68 and Statement b "Promotions and offerings" at a mean of 3.38 while some were total dissatisfy with the price factor as indicated in Statement f "the price of the service is good value relative to other available services." At a mean of 2.28 and Statement a "Cost of services provided" at a mean of 2.3 as shown on table 4.

Table 4: Price of the Product/ Service

1 = Very Dissatisfied 2 = Dissatisfied 3 = Neutral 4 = Satisfied 5 = Very satisfied

S/no	PRICE OF THE PRODUCT/ SERVICE	I	2	3	4	5	N	MEAN
a.	Cost of services provided	46.88%	16.25%	11.25%	10.00%	15.63%	160	2.31
b.	Promotions and offerings	4.38%	13.13%	38.13%	29.38%	15.00%	160	3.38
c.	Discounts	10.00%	19.38%	38.75%	23.75%	8.13%	160	3.01
d.	The price of the service is appropriate relative to the ^performance.	13.13%	30.00%	22.50%	16.88%	17.50%	160	2.96

e.	The price of the service meets my expectations	21.88%	30.63%	23.13%	14.38%	10.00%	160	2.60
f.	The price of the service is good value relative to other available services.	38.13%	26.88%	11.25%	16.25%	7.50%	160	2.28
g	Price offer is fair.	38.75%	15.63%	8.75%	16.88%	20.00%	160	2.64
h.	All customers derive value from the Operator's pricing.	26.88%	22.50%	11.88%	16.25%	22.50%	160	2.85
j i.	The operators offers a lot of other	8.75%	10.63%	8.13%	49.38%	23.13%	160	3.68
	support services	0.00%	0.00%	0.00%	0.00%	0.00%	160	0.00
	I am satisfied by the Operators commitment to their customers.	25.63%	16.88%	20.00%	22.50%	15.00%	160	2.84
k.	My expectations are met.	23.75%	15.63%	30.00%	11.25%	19.38%	160	2.87

4.5.5 Other factors that influence satisfaction

Subjective norms are very critical factors in satisfaction of customers as in Statement a "Influence from family and friends" was rated at a mean of 3.04 while Statement b "adequate agents' availability" at a mean 3.31 and lastly Statement c "Availability and easy access to information" was rated at a mean of 2.93 as indicated on table 5.

Table 5: Other factors that influence satisfaction

	OTHER FACTORS	1 in %	2 in %	3 in %	4 in %	5 in %	N	MEAN
a.	Influence from family and friends	25.00%	15.00%	13.13%	24.38%	22.50%	160	3.04
b.	Adequate agents availability	14.38%	19.38%	15.00%	23.75%	27.50%	160	3.31
c.	Availability and easy access to info	14.38%	20.00%	35.00%	19.38%	11.25%	160	2.93

4.6 General Statement on Mobile Customer Satisfaction

4.6.1 Employees and Operators

The study showed that most of the subjects found employees to be friendly and this made them derive satisfaction from the service provider as on table 1 below.

Table 1: Employees and Operators

Strongly Disagree (1) Disagree (2) Natural (3) Agree (4) Strongly Agree (5)

No	Statement	1	2	3	4	5	N	MEAN
I.	The service provider has up-to-date equipment and outlook	8.75%	17.50%	23.13%	26.25%	24.38%	160	3.40
2.	The service provider's physical facilities are visually appealing	10.63%	13.13%	14.38%	31.88%	30.00%	160	3.58
J.	The service provider's customer services staff are well dress and appear neat	6.88%	5.63%	13.75%	28.75%	45.00%	160	3.99
4.	When a services provider promises to do something by certain time, it does do	3.13%	3.13%	28.13%	38.75	26.88%	160	3.83
>	When I have problem, a service provider show sincere interest in solving it	13.13%	10.00%	30.00%	33.13%	13.75%	160	3.24
6.	The service provider is dependable	8.13%	26.25%	42.50%	16.25%	6.88%	160	2.88
7	The service provider provide its services at the time it promises to do so	10.63%	21.88%	33.75%	24.38%	9.38%	160	3.00
8.	The service provider always perform the service right at the first time	11.25%	16.88%	40.00%	15.00%	16.88%	160	3.09
9.	The service provider tell me exactly when services will be performed	5.63%	6.88%	21.25%	16.88%	49.38%	160	3.98
r	Customer service staff gave me prompt services	8.75%	20.00%	38.75%	15.63%	16.88%	160	3.12
ii.	Customer service are always courteous with customers	18.13%	11.25%	25.00%	26.88%	18.75%	160	3.17
12.	Customer service staffs are always ready to respond to customer requests promptly	15.00%	13.13%	9.38%	23.13%	39.38	160	3.59
f r	Customer service staff have knowledge to answer customer question	13.13%	11.25%	8.75%	17.50%	49.38%	160	3.79

No.	Statement						N	Mean
14.	I can trust the providers customer service staff	16.25%	11.25%	28.13%	14.38%	30.00%	160	3.31
15.	[feel save in the transaction with the service provider	5.00%	10.63%	21.25%	24.38%	38.75%	160	3.81
16.	Customer services staff are polite	7.50%	16.88%	28.75%	30.63%	16.25%	160	3.31
17.	Customer services staff have adequate support from the service provider to do their job well	18.13%	21.25%	30.00%	21.25%	9.38%	160	2.83

Satisfaction is a feeling which results from a process of evaluating what was received against that expected, the purchase decision itself and the fulfillment of needs or want Armstrong & Kotler, (2005). Kotler, (2009) also noted that satisfaction is a person feeling of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to their expectation. Bitner and Zeithaml, (2003) stated that satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. The survey data indicated that data in reposed General Statement on Mobile Customer Satisfaction indicated that a few respondents strongly agreed with them. While the customers agreed to some as in statement 40 "I would encourage friend and relative to use this mobile service provider "at a mean of 4.18, Statement 2 "The service provider's customer services staff are well dress and appear neat" at a mean of 3.99 and statement 9 "The service provider tell me exactly when services will be performed" at a mean of3.98

The results also indicated some respondents were Natural in their satisfaction rate statements as rated in Statement 27 "The service provider offer value for money" at a mean of 3.01,statement 29 "The service provider would be economical" 3.09 and also in Statement 18 the service provider gave customer individual attention 3.12

Dissatisfaction with some statements was also evident as in Statement 17 "Customer services staff have adequate support from the service provider to do their job well" at a rate of 2.83,

statement 21 "Customer service staffs gave their personal interest." At a mean of 2.80 and statement 22 "the service provider has operating hours and location convenient to all its customers" rated 2.82 yet there were not major dissatisfied customers as computed in the results below on table 2.

Table: Service providers and staff

No	Statement	1	2	3	4	5	N	MEAN
18.	The service provider gave customer individual attention	17.50%	21.88%	16.25%	20.00%	24.38%	160	3.12
19.	The service provider has customers best interest at heart	17.50%	30.00%	15.00%	26.25%	11.25%	160	2.84
20.	Customer service staffs understand customer specific needs	16.25%	20.00%	18.13%	24.38%	21.25%	160	3.14
21.	Customer service staffs gave their personal interest.	11.88%	28.13%	35.00%	18.13%	6.88%	160	2.80
22.	The service provider has operating hours and location convenient to all its customers	13.13%	30.63%	25.63%	22.50%	8.13%	160	2.82
23.	The service provider offers the best possible plan to meet my needs	J 3.13%	16.25%	30.00%	21.88%	18.75%	160	3.17
24.	The service provider offers overall superior best pricing plan compare with other providers.	16.25%	23.75%	21.25%	21.88%	16.88%	160	2.99
25.	The price charge by the service provider is reasonable	30.63%	14.38%	10.00%	21.88%	23.13%	160	2.93
26.	The price charges by other services provider are reasonably priced	13.75%	23.13%	13.75%	17.50%	31.88%	160	3.31
27.	The service provider offer value for money	21.25%	17.50%	19.38%	22.50%	19.38%	160	3.01
28.	The service provider provide good services for the price	16.25%	22.50%	14.38%	26.25%	20.63%	160	3.13
29.	The service provider would be economical	25.63%	17.50%	8.75%	22.50%	25.63%	160	3.05
30.	The service provider would make me want to use it	30.00%	10.63%	15.00%	14.38%	30.00%	160	3.04
31.	By using my mobile services that I am using now would make me feel good	20.63%	23.13%	16.88%	18.13%	21.25%	160	2.96
I T	By using this service provider would gave me pleasure	10.63%	15.63%	16.88%	21.25%	35.63%	160	3.56
I T	By using my mobile services ^provider would help me to feel	14.38%	11.25%	32.50%	18.13%	23.75%	160	3.26

	acceptable by others							
34.	By using my mobile services provider would make a good impression on other people	16.25%	15.00%	11.88%	17.50%	39.38%	160	3.49
35.	As long as the present services continues, I doubt that I would switch to other mobile services provider	21.25%	16.25%	13.13%	15.00%	34.38%	160	3.25
36.	I try to use this services provider whenever I need to have mobile services	17.50%	10.63%	14.38%	15.00%	42.50%	160	3.54
37.	When I need mobile services, this provider is my first choice	15.63%	8.75%	11.88%	15.00%	48.75%	160	3.73
38.	I say positive things about this mobile service provider to others People	11.25%	21.25%	25.63%	15.00%	26.88%	160	3.25
39.	I would recommend this mobile service provider to those who seek my advice about such matter	10.63%	13.75%	16.25%	10.00%	49.38%	160	3.74
40.	I would encourage friend and relative to use this mobile service provider	7.50%	5.63%	9.38%	16.25%	61.25%	160	4.18

Source data: survey (2011)

CHAPTER FIVE

DISCUSSIONS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter summarizes the findings, draws conclusions relevant to the research and makes recommendations on the same. Just to recap the study had two objectives namely To establish the link between certain demographic variables and customer satisfaction in the Kenyan mobile telephone industry and Using the results of the study to provide strategies to improve the mobile telecoms industry in Kenya. To achieve this, a survey study was conducted using a questionnaire.

5.1 Summary of the Findings

The objective of the research was to determine factors the affect customer satisfaction in the Kenyan telecommunication industry. The findings indicate that Respondents Service Provider in Kenya currently. Shows safaricom is the leading followed by, Airtel, Orange and Yu While on Type of usage of the mobile line Majority of the respondents said that they use their mobile lines for personal use and some for business while those others use both purposes .On the demographic factors, it was also evident that on the Gender that Majority of the respondents were males .The age division of the total sample is more or less expected it showed that the respondent were majority adults who could be able to give accurate information on their feeling about mobile services and their rates of satisfaction. Responses were received from customers with various religions indicate that Majority of the respondents were Christians. Responses were received from customers with various education levels, from Primary school to University Masters Degree. Most of the respondents have received as the highest level of education at least university degree in Masters while the rest are of

Diploma and tertiary while on Responses were received from customers in respondents to occupation and employer status, respondents who are employed by the majority being in, private sector followed by government sector and then self-employed.

The study revealed the fact that facts on value added services like reward points, money transfer services, credit availability, easy recharge services, roaming services also play role in satisfying customers. Other factors like price of products and services, the Promotions-discounts-and offers given by the service providers make the customers feel Important and facilitate satisfaction.

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5.2 Conclusions

Customer satisfaction is an experience-based assessment made by customers how far their expectations about the overall functionality of the services obtained from the mobile operators have been fulfilled. With regards to customer satisfaction measurement, the results demonstrated that customers are satisfied with the performance of the Kenya mobile telecoms industry. The interpretation of this result could be that Kenya customers are truly satisfied with the service performance (satisfied with experience of the mobile services use) or their

satisfaction results from lack of competing services or it could be that the customers are new to satisfaction measurement and may not be able to express their perceptions well. The result also demonstrated that customer satisfaction level differs among the specific demographic groups. Within the age groups, the older customers were more satisfied than younger ones. The low satisfaction of the young customers could be due to greater familiarity with mobile technologies and are more demanding. The male customers showed more satisfaction than the female counterpart. The high satisfaction of the male customers could be due to the impact of the services on their functional activities. The unemployed customers demonstrated more satisfaction than the employed ones and the higher satisfaction of the unemployed group could be due to true satisfaction or low knowledge of mobile technologies. Lastly, the low-income areas showed more satisfaction than the high-income areas. The low satisfaction of high-income areas customers could probably be due to greater familiarity with information technologies and are more demanding. However, mobile operators need to strive to maximize customer satisfaction which in turn can influence the extent of loyalty and retention.

With regards to factors that influence satisfaction, network quality demonstrated a strong influence on customer satisfaction. The implication of this finding is that network quality is the most significant of all the mobile services attributes and its quality strongly affect satisfaction. Billing, validity period and customer support showed weak influence on satisfaction. These results indicate that the evaluation of these factors without alignment is meaningless and have weak impact on satisfaction. The result also demonstrated that the combination of the mobile services attributes has strong influence on satisfaction. Thus, to increase customer satisfaction, mobile operators should focus on improving mobile services attributes by investing in equipment to enhance call quality and coverage, offer reasonable

pricing and price discounts, offer reasonable validity period and enhance customer care through routine personnel training and provision of better customer-friendly equipment.

With regards to influence of demographic variables on satisfaction, the result showed that the individual variables (age, gender, employment status and location) and their combination have weak influence on satisfaction. These results mean that customers perceptions of how well the mobile services meet their needs are not affected by these specific variables. However, since the results showed different customer satisfaction levels among the various demographic groups, mobile operators can strive to better understand these market segments and adopt marketing strategies to better satisfy their different needs. Broadly, the implication of this study for mobile operators is that operators should not just rely on profit margins as a good indicator of business performance. Rather, they should develop strategies that better capture customers' perceptions of their service offerings and these strategies can complement the internal perceptions of service offering. Customer satisfaction strategy helps companies to compare their performance against customer standards, compare customer standards against internal process and identify opportunities for improvement.

5.3 Limitations of the study

This study was conducted to in the factors affecting customers satisfaction on mobile industry, however a number of limitations aroused as some respondents did not respond to the questionnaires while others responded late As such there is still room for further investigation of on customer satisfaction. The study also focused on general mobile without target group. Despite the potential contribution of this study, this study had four limitations. First, the questionnaire was self-constructed instead of adopting research standard such as SERQUAL and this made analysis difficult and affected the reliability of the result. Second, convenience data sample was used in this study and employment of random sample is

necessary to judge the generalizability of findings of any empirical investigation. Thirdly, the different locations of authors and interviewers made supervision impossible and this robbed this study of potential probe for any useful information. Lastly, lack of customer satisfaction study in Kenya. This lack robbed this study of possible comparism and insight with respect future projects, there is need for cooperation between academic bodies and mobile operators so as to achieve better customer-oriented investigations.

5.4 Recommendations

Service providers must use key promotional strategy once the price war is no longer affordable for healthy competition. Customer service can serve as hidden strength for those who take it seriously. The trained and humble customer service staff is helpful in addressing customer's complaints promptly. One can imagine that a brand with superior image for its technical capabilities in communication and state of art customer service program can gain the competitive edge, which will be required in later stage of a booming market and thus organizations need to train and ensure that its employee's factor in customer satisfaction in everything they do.

Mobile phone companies should think of launching their products according to the needs of customers in order to satisfy them and make them brand loyal in order to remain profitable on the cut throat market that is slowly intensifying in the Kenyan market. They should also think of searching new space to sustain their growth in long run. The ease with which customers can switch from their current service to another, demands that providers deliver the highest possible levels of service quality and performance. To be successful, communications service providers must deliver positive customer experiences with rich, value-added services supported by comprehensive service quality management. To these effect-Mobile services has experienced the negative attributes of not being customer focused and realizes that

quality is an attribute that creates customer satisfaction profitably. Therefore quality must be fused with all resources channeled towards their customers.

5.5 Suggestions for further research

First, the study was conducted in the context of mobile services in Kenya and a singular region was selected for the study therefore, further research needs to be carried out across the nation to determine whether the results will remain the same. Secondly, there is the possibility that the differences in mobile services could moderate the impact of perceived value on overall satisfaction and thus research needs to be carried out on individual companies in order to evaluate how each strength of these different companies impact satisfaction. Future studies can further investigate the factors that affect satisfaction and loyalty (such as level of education, word of mouth, life cycles and usage pattern of customers, switching barriers, etc).

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APPENDIX I: QUESTIONNAIRE

QUESTIONNAIRE

The purpose of this is to study the customer satisfaction in Kenyan telecommunication industry for improved management. Kindly fill in the questionnaire provided with appropriate information or tick **(V)** as appropriate or your response to the questions where applicable the information provided will be treated with utmost confidentiality and only used for purposes of this study.

PART A DEMOGRAPHIC DATA, RESPONDENT PROFILE AND GENERAL **CHARACTERISTIC**

1. Which is your Service providers) you use?

a) Kenya Telkom Orange [ ]   b) Safaricom [ ]   c) Yu [ ]   d)Airtel [ ]

2. Type of Usage of the mobile service

a) Business [ ]   b) Personal [ ]   c) Both [ ]

3. Gender
a) Male [ ]   b) Female [ ]

4. Age
Below 20 [ ]   21-30 [ ]   31-40 [ ]   41-50 [ ]   51-60 [ ]   Over 60 [ ]

5. Religion
a) Islam [ ]   c) Hindu [ ]   d) Christian b) Others s_____(please specify)

6. Highest education qualification archived
a) Primary [ ]   b) Secondary [ ]   c) Diploma [ ]   e) Degree [ ]   Masters [ ]   Others [1

7. Occupation
a) Government Sector [ ]   b) Private Sector [ ]   c) Self employed [ ]   e) Student [ ]
f) Unemployed [ ]   Others

8 For how long have you had continuous use of the mobile line?

Less than 2 years [ ]   2-5 years [ ]   10 years [ ]   Over 10 years [ ]

9 Please rate extent are you satisfied with the services of the mobile company you use their line?

Very great extent [ ]   Great extent [ ]   Moderate extent [ ]   Low extent [ ]   Very low

extent [ ]

PART B: QUESTIONS/ STATEMENTS ON CUSTOMER SATISFACTION

NO	CUSTOMER SATISFACTION LEVEL	YES	NO
a.	Do you think that mobile companies commit a great deal of time and resources on customer satisfaction?		
b.	Do mobile companies take initiative to keep customers informed on the new innovations or attempt to establish the challenges that affect them?		
c.	Do you think that many customers with high satisfaction and/ or repurchase intentions ultimately defect?		
d.	Do you think that perceived price fairness might be the dominant determinant of satisfaction?		
e.	Do you think that perceived price fairness might be the dominant determinant of satisfaction?		
f.	Do you think that the need to maintain high levels of profits by the mobile companies influences the prices charged by the company?		
g-	Have you experienced a service problem with the mobile phone network provider in the past six months?		
h.	Was the problem solved to your satisfaction?		
i.	Have you experienced a quality problem with of mobile phone network provider in the past six months?		
j-	Was the problem solved to your satisfaction?		

PART C: FACTORS AFFECTING MOBILE PHONE CUSTOMER SATISFACTION

Below are some of the possible factors that might influence the choice of mobile phone network provider. To what extend do you get satisfied with the below factors.

1 = Very Dissatisfied   2 = Dissatisfied 3 = Neutral 4 = Satisfied 5 = Very satisfied

S no	SERVICE QUALITY	1	2	3	4	5
a.	Efficiency of services provided					
b.	24 hours customer service operations					
c.	Efficient and no waiting customer service enquires					
d.	Are innovative in the services they bring to market					
e.	Communicate openly and honestly with the customers on offers					
S/no	PRODUCT ATTRIBUTES					
a.	Clarity of the network					
b.	Product availability					
c.	Fast connectivity					
d.	Visibility of the brand					
e.	Locked handsets					
f.	Availability of product variety					
g-	Upgrades network 3G/4G/2G					
h.	Mobile internet					
f.	Clarity of the network					
g.	Fast connectivity					
h.	Visibility of the brand					
i.	Locked handsets					
j-	Availability of product variety					
k.	Upgrades network 3G/4G/2G					
l.	Mobile internet					
S/no	VALUE ADDED SERVICES					

S/no						
a.	Reward points					
b.	Money transfer services					
c.	Credit availability opportunity					
d.	Easy recharge services					
e.	Roaming services					
S/no I	**PRICE OF THE PRODUCT/ SERVICE**					
a.	Cost of services provided					
b.	Promotions and offerings					
c.	Discounts					
d.	The price of the service is appropriate relative to the performance.					
e.	The price of the service meets my expectations					
f.	The price of the service is good value relative to other available services.					
g.	Price offer is fair.					
h.	All customers derive value from the Operator's pricing.					
	The operators offers a lot of other support services					
j.	I am satisfied by the Operators commitment to their customers.					
k.	My expectations are met.					
	OTHER FACTORS					
a.	Influence from family and friends					
b.	Adequate agents at					
c.	Availability and easy access to info					

PART D: GENERAL STATEMENT ON MOBILE CUSTOMER SATISFACTION

Please circle the score provided that matches your opinion.
Strongly Disagree (1) Disagree (2) Natural (3) Agree (4) Strongly Agree (5)

No	Statement	1	2	3	4	5
1.	The service provider has up-to-date equipment and					

	outlook					
2.	The service provider's physical facilities are visually appealing					
3.	The service provider's customer services staff are well dress and appear neat					
4.	When a services provider promises to do something by certain time, it does do					
5.	When I have problem, a service provider show sincere interest in solving it					
6.	The service provider is dependable					
7.	The service provider provide its services at the time it promises to do so					
8.	The service provider always perform the service right at the first time					
9.	The service provider tell me exactly when services will be performed					
10.	Customer service staff gave me prompt services					
11.	Customer service are always courteous with customers					
12.	Customer service staffs are always ready to respond to customer requests promptly					
13.	Customer service staff have knowledge to answer customer question					
14.	I can trust the providers customer service staff					
15.	I feel save in the transaction with the service provider					
16.	Customer services staff are polite					
17.	Customer services staff have adequate support from the service provider to do their job well					
18.	The service provider gave customer individual attention					
19.	The service provider has customers best interest at heart					
20.	Customer service staffs understand customer specific needs					
21.	Customer service staffs gave their personal interest.					
22.	The service provider has operating hours and location convenient to all its customers					
23.	The service provider offers the best possible plan to meet my needs					
24.	The service provider offers overall superior best pricing plan compare with other providers.					
25.	The price charge by the service provider is reasonable					
26.	The price charges by other services provider are reasonably priced					
27.	The service provider offer value for money					
28.	The service provider provide good services for the price					
29.	The service provider would be economical					
30.	The service provider would make me want to use it					
31.	By using my mobile services that I am using now would make me feel good					
32.	By using this service provider would gave me pleasure					

33.	By using my mobile services provider would help me to feel acceptable by others					
34.	By using my mobile services provider would make a good impression on other people					
35.	As long as the present services continues, I doubt that I would switch to other mobile services provider					
36.	I try to use this services provider whenever I need to have mobile services					
37.	When I need mobile services, this provider is my first choice					
38.	I say positive things about this mobile service provider to others People					
39.	I would recommend this mobile service provider to those who seek my advice about such matter					
40.	I would encourage friend and relative to use this mobile service provider					

Thank you for your cooperation and participation all Information provided will be treated with utmost confidentiality.

END

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SCHOOL OF BUSINESS

MBA PROGRAMME

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Telex   22WJ V'Myrv

DATE.Qfcl ®

TO WHOM IT MAY CONCERN

The bearer of this letter.   .. .   ...

Registration No. i>felt(O&ll

is a bona Tide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the «..ients to do their projects on real problems affecting firms in Kenya. We would, thereto-e, appreciate your assistance to enable him/her collect data In your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request

Thank you

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MMACULATEiOMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE