FACTORS THAT DETERMINE CUSTOMER LOYALTY: THE CASE OF MOBILE TELECOMMUNICATIONS OPERATORS IN NAIROBI, KENYA.

BY

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DECLARATION

This project is my original work and has not been submitted for a degree in any other University.

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This project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

To my husband Dr. George Wekesa and daughter Natasha for their encouragement and support. Thank you for the many days you accepted to be alone as I was away in class during this programme. You were a true source of inspiration to me.

To my mother Milly Kharemwa for your love and support, and whose effort and desire to see me excel has always been unstoppable.

To my brother and sisters for your tireless support. You always stood in for me when I was away in class.

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Above all this, I give God all the glory for His faithfulness and His everlasting love.

ABSTRACT

The mobile telephone platform has been heralded as the next frontier for modern business creating entirely new paradigms for interactive marketing initiatives. In a growth industry characterized by competition and alternative telecoms operators, customers have the freedom to choose from among the available alternatives. The research had one objective: It sought to identify the factors that determine loyalty to a mobile telecommunications operator in Kenya and the relative importance of these factors.

In undertaking the study individual mobile phone users within Nairobi were targeted. Primary data was collected using a semi-structured and Likert scale questionnaire. The research assistants within the selected areas administered the questionnaire directly to the respondents. Out of the targeted 200 respondents, the researcher managed to obtain 1 84 responses, representing a response rate of 92%. This sample was obtained from among regular mobile phone users in South C estate. A recruitment guide was used to determine the loyal customers. Any subscriber who has been with the same mobile operator for one year was taken to be a loyal customer.

Data collected was analyzed using tables of frequencies and percentages. Ranking of the factors considered for loyalty was also done. The results showed that 68.2% of the respondents found costs of the services offered to be the most important factor while 64.3% stated that countrywide network coverage was the most important factor. Other factors were rated as most important in the following order: Voice quality, friends, family and colleagues, customer service and time taken to go through the line.

The research established that the cost changed for the services is a key factor. The billing for this service constitutes the price for the same and thus is equated with the same value to be obtained from the services. Price and value are the cornerstones of every consumer purchase transaction. In economic terms, price equates to the level of consumer sacrifice. The amount of money consumers are willing to pay for a particular service is directly related to their perception of their services value. (Kotler and Armstrong 2001). The findings concur with Kotler and Armstrong's argument that price is the sum of all values that consumers exchange for the benefits of having or using the product or service.

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CHAPTER ONE: INTRODUCTION

1.1 Background

Conditions of doing business in Kenya and the rest of the world have been changing rapidly and companies are faced with rapidly changing technology and increased competition. Telecommunications and information technology has experienced the fastest growth fuelled by increased competition. Deregulation and globalization has spearheaded the integration of the Kenyan economy with other world economies. The power of information and technology, deregulation, globalization of markets and stiff competition has made customers better educated, more inquisitive, sophisticated and deciding.

Mobile telecom structures are rather complicated and vary across markets. In the highly competitive markets, the operators are continually under pressure to deliver products and services. Mobile telecommunications operators should thus improve their performance by satisfying customers so as to obtain and sustain a competitive advantage. This is because the main output of customer satisfaction is customer loyalty, and firms with a bigger share of loyal customers profit from increased repurchase rates, greater cross-buying potential, higher price willingness, positive recommendation behavior and lower switching tendency (Bruhn and Grund, 2000). Brand loyalty is one of the major brand assets, the others being brand name awareness, brand associations, perceived quality and other proprietary brand assets such as trade marks. Together these assets form brand equity (Aaker, 1991). Brand loyalty is product specific. In the mobile phone industry, customers are likely to be loyal to brands of the same company consistently. This is due to the nature of service marketing (Towett, 2002).

Hence the mobile telecoms companies can be successful if they develop and build themselves as distinct brands. Consequently, their brands or services will ride on their reputation.

Brand loyalty can be defined as repeat purchase intention and as behaviour. It is thought of as internal commitment to purchase and repurchase a particular brand (Evans, 1997). Loyalty can be categorized into five levels (Aaker, 1991). Although not all the five levels may be represented in a specific product class, each level represents a different marketing challenge (Wambugu, 2002). These categories include from the bottom to the top; The non-loyal buyer (switcher) - The customer is completely indifferent to the brand and perceives each brand as adequate. This customer buys a different brand of the same product each time, in as long as it can serve the purpose. A non-loyal user often switches brands. These are the customers who are highly price-sensitive and will switch easily when they have the opportunity; Habitual buyers are buyers who are satisfied with the product or at least not dissatisfied. They have no reason to switch, the satisfied buyer are Those buyers who, over and above being satisfied with the product, they have switching costs in time, money, or performance risk associated with switching; Likes the brand- Those are buyers who consider the brand a friend. This could be based on a set of use experiences or a high perceived quality. But the liking cannot be traced to anything specific; Committed customers- These are buyers who have a pride of discovering and /or being users of a brand. The brand is very important to this buyer either functionally or as an expression of who they are (Aaker, 1991). A committed consumer nearly always purchases the same brand and does not mind moving from store to store just to get the desired brand. These customers are, in essence, an extension of the company's sales force because they spread positive word-of-mouth publicity

Brand loyalty represents a favorable attitude toward a brand, resulting in consistent purchase of the brand over time. It happens after consumers learn that one brand can satisfy their needs (Assael, 1998). To be truly loyal, the consumers must hold favorable attitude toward the brand in addition to purchasing it repeatedly. (Day, 1969). Brand loyalty is product specific. Consumers will be loyal to brands in one category and will have little loyalty to brands in other categories (Assael, 1998).

From the foregoing, one can clearly say that developing a highly consistent market share of brand loyal consumers is the ultimate goal of today's marketing strategy (Schiffman, 1994). But why do companies want loyal customers? David Aaker (1991) notes that loyalty of existing customers represents a strategic asset which, if properly managed and exploited, has potential to provide value in a number of ways. Aaker further gives those advantages of having loyal customers as; Reduced marketing costs-It is simply much less costly to retain customers than to get new ones. Potentially new customers usually lack motivation to change from current brands and are expensive to contact. Even when they are exposed to alternatives they will often need substantial reason to risk buying and using another brand (Aaker, 1991). Dick and Basu (1994) suggested other loyalty related marketing advantages such as favorable word of mouth and greater resistance among loyal customers to competitive strategies, Trade leverage- Strong loyalty towards brands ensures preferred shelf space because stores know that customers will have such brands in their shopping list. Trade leverage is particularly important when introducing new sizes, new varieties, variations or brand extensions (Aaker, 1991). Attracting new customers- A customer base full of satisfaction and others that like the brand provide assurance to prospective customers especially when the purchase is somewhat risky. This applies especially in product areas that are new or otherwise risky. A satisfied customer base provide an image of the brand as accepted and successful (Aaker, 1991), Time to respond to competitive threats- Brand loyalty provides some breathing room. If a competitor develops a superior product a loyal following will allow the firm time needed for the product improvements to be matched or neutralized.

In order to reap the above benefits, companies must not only manage loyalty, but they must also enhance it (Aaker, 1991). A thorough knowledge of the factors that determine brand loyalty is therefore important. Some of the determining factors include: Availability of the brand- many customers would want to shop in one place for all items. This is due to the constraint of time. Repeat purchasing will enhance commitment and eventually loyalty (Assael, 1998). Customers want to access a service or brand of choice whenever they need it without any constraints and at their own convenience; The image of the brand versus customer self image- if one's image of the brand conforms to his self image then the customer's loyalty to the brand will be high (Aaker, 1991). Customers usually want to buy brands that they would want to be associated with/ they feel proud being identified with; Level of satisfaction and/or dissatisfaction-this involves many issues such as the problems faced by customers, their sources and how they are addressed (Aaker, 1991). It usually depends on the needs of a particular customer and whether they feel their needs are being met by the particular brand; Customer service- this consists of several services designed to aid in the sale of a product. They may include credit, delivery, gift-wrapping, merchandise returns, longer store hours, parking and personal service (Stanton, 1991). Bearden (1995) concurs by saying that customer service refers to the activities that increase the quality and value that customers receive when they shop and purchase merchandise. A variety of customer support systems, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaints all contribute to good customer service; Atmospherics of the store- according to Bearden (1995) this refers to a retailer's combination of architecture, layout. Color, sound, temperature monitoring, special events, prices, displays and other related factors that attract and stimulate customers. A spacious service store with a well laid out service area, where customers can easily find their way around the store with ample parking can be appealing to customers; Location- the actual place where the store is located determines whether it is available to the customers or not. The location has an effect on the store's image (Kotler, 1990). A service has to be in an easily accessible location so as to appeal to the customers; Technology- available technology like catalogues or electronic media that allows the customers to shop while at home or at some other non-store location (Davidson, 1998). Technological advancement determines how fast a customer receives a service and how fast customer complaints can be handled.

Studies conducted on customer loyalty have shown a growing trend towards declining brand loyalty (Wambugu, 2002). Reasons given for this trend include consumer boredom or dissatisfaction with a product in the market place and increased concern with price at the expense of brand loyalty. The market share of categories that once commanded brand loyalty has continued to fall (Schiffman, 1994). Marketers are responding to this challenge by upgrading their brands to distinguish them and by promoting them more aggressively (Janofsky, 1995)

1.1.1 The Kenyan mobile phone industry

In Kenya today, a cell phone is not just a rich man's fashion accessory. It is transforming the way millions of people do business in a country where even fixed were a luxury barely a decade ago. Across the country people with low incomes are now adopting mobile phones as tools for enhancing their business. The Kenyan mobile telecommunications market is clearly exhibiting signs of an abrupt industry paradigm change and symptoms of a market in transition, bolstered by rapid development of ICT and high demand from customers. The development of a large-scale telecommunications infrastructure in Kenya, capable of delivering efficient and affordable info-communications services, is recognized as a critical prerequisite for the country's economic growth.

The mobile telephone services in Kenya started in 1992 with the analogue system that was widely known as the Extended Total Access Communication System (ETACS), which was commercially launched in 1993. During this entry period the services were so expensive that it was only a few within the upper echelon of the society that could afford them. The enactment of the Kenya Communications Act, 1998 led to the introduction of competition in the cellular mobile industry. The Communications Commission of Kenya licensed the newly privatized Safaricom Limited and a new market entrant, KenCell Communications, which changed its brand name to Celtel Kenya following a 60% shares buy out by Celtel International and subsequently to Zain. This has witnessed a phenomenal growth in the number of subscribers, as well as the geographic expansion of the cellular mobile service in the country. The number of licensed mobile operators in the country has increased to four with the licensing of two additional mobile operators - Telkom Kenya (trading as Orange Mobile) and Econet Wireless Kenya.

Table 1.1 Mobile Operators Market Share

Mobile Operator	Market Share
Safaricom	12 Million
Zain	3 Million
Essar (YU)	800,000
Telkom (Orange)	1 Million

Source: Business Daily, June 2009

Both Safaricom and Zain (formerly known as Celtel Kenya) have realized tremendous growth in subscriber rollout over the last eight years, which has seen the combined subscriber base of the two operators reach 15 million as at June 2009. The combined network capacity for the two mobile operators has also grown from 640,000 in June 2001 to 25,964,700 in June 2008. The mobile network is now over twenty times the size of the fixed network in subscriber numbers. The two operators have not only covered most of the areas as required by their respective licenses but have also added new areas as dictated by business considerations and industry growth.

Table *1.2* mobile subscriber base

Year	Capacity	Connections
1999/2000		114,000
2000/2001		585,131
2001/2002	-	1,325,222
2002/2003		1,590,785
2003/2004	3,935,000	2,546,157
2004/2005	6,800,000	4,611,970
2005/2006	10,600,000	6,484,791
2006/2007	18,200,000	9,304,818
2007/2008	25,964,700	12,933,653

Source: www.cck.go.ke/market_information_telecommunication

The growth of subscribers has intensified rivalry among the operators. The operators are heavily investing to expand the network to cater for the increasing number of subscribers. Competition is on pricing (billing), value added services and provision of quality service. Since the range of services offered by the mobile operators is quite standard, the competition has focused on cost of service rather than range of services. The operators have also engaged in promotion to counter each other's effort. Industry rivalry is manifested by changing prices, improved product differentiation, innovation and creative use of distribution channels. For an organization to survive in a competitive environment like one prevalent in the Kenyan mobile industry described above, it is crucial to identify structural features determining the nature of competition in this industry.

1.2 Statement of the problem

Customer loyalty is critical in the success of any business hence one of the key challenges of this industry is to build brand loyalty and retain their customers whilst maintaining service quality which holds a significant importance to customer loyalty and their perceived performance. Brand loyalty has acquired a significant place in consumer perception in the recent times leading to consumers defining quality and value based on the market leaders.

Over the years last few years, the mobile telecommunications market in Kenya has undergone dramatic changes; competition has set in and the mobile subscribers now have more alternatives to choose from. They can make decisions and choose an operator according to their expectations and perceived performance. Further, each operator has heavily invested in sales promotion to attract a large pool of customers most of who are already connected to a different operator. Sales promotion is known to be short term oriented (Kotler, 1999). While customer attraction is important, of greater importance is their retention which is dependent on customer satisfaction among other things. In a competitive market place, understanding customers' needs becomes an important factor. As a result companies have moved from a product focus to customer focus position. Therefore, in order to compete effectively, these companies have to identify the factors related to customer satisfaction and thus loyalty.

The growth of mobile phone subscribers has intensified rivalry among the mobile operators. The number of mobile operators now stands at four in number; Safaricom, Zain, Orange and YU. Competition is on pricing (billing), value added services and provision of quality service. While customer attraction is important particularly in such an industry, of greater importance is their retention.

One major concern that has led to this study is the unique nature of this industry. It is very easy for customers to switch from one operator to another and to be connected to more than one operator at the same time. A study by Maina (2001) on perceived service quality found out that there is a significant difference between customer's expectations and management's perception in the mobile telephone industry. This could be a mismatch between the factors that customers consider for loyalty and the management's perception of the same. Odhiambo (2003) was interested in satisfaction levels of consumers while Ofwona (2007) focused on the consumer decision-making process and the relative importance of the inputs into the decision making model. However, none of these studies explored the factors that determine loyalty to a mobile telecommunications operator in Kenya and their relative importance. Hence the need to establish the factors that would influence customers to be loyal to a mobile telecommunications operator from the customers' perspective where a customer has more alternatives to choose from.

1.3 The Research Objective

This study seeks to establish the factors that determine customer loyalty to a mobile telecommunications operator. The specific objective for this study is: To find out the factors that determine customer loyalty to a mobile telecommunications operator.

1.4 Significance of the study

This study will be important to mobile telecommunications operators as well as to researchers. Specifically;

Mobile telecommunications operators - the research will be of benefit to mobile operator in understanding the specific attributes that are of importance to customers and their performance on the attributes. Resources may then be directed toward revamping the areas of weakness and sustaining the areas of strength. They can direct or re-direct effort to match customers expectations Also, marketing managers can interpret the results as helping to justify expenditures on design, communication, and merchandising strategies that create such long-term effects on consumers as brand trust, brand affect, and brand loyalty in so- far as these consumer-level constructs contribute to profitable brand performance outcomes.

Researchers- The study will offer a basis for further academic investigations into other areas of brand loyalty.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses some factors determining customer loyalty as identified by previous studies in other industries. It represents a review of theoretical and empirical literature related to the study. Specific concern is on the concept of brand loyalty and its relationship to development of value.

2.2 The concept of Brand Loyalty

Customer loyalty is a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing affects having the potential to cause switching behavior (Oliver, 1999). This definition emphasizes two different aspects of brand loyalty; behavioural and attitudinal (Aaker, 1991; Assael, 1998; Day, 1969). According to these writers, behavioural or purchase loyalty consists of repeated purchases of the brand, whereas attitudinal brand loyalty includes a degree of dispositional commitment in terms of some unique value associated with the brand.

Kotler and Armstrong (2008) argue that the image surrounding a company's brand is the principal source of its competitive advantage and is therefore a valuable strategic asset. The authors argue that many companies are not adept at disseminating a strong, clear message that not only distinguishes their brand from the competitor's but distinguishes it in a memorable and positive manner. The challenge of all brands is to avoid the pitfalls of portraying a muddled or negative image, and instead, create a broad brand vision or identity that recognizes a brand as something greater than a set of attributes that can be imitated or surpassed. In fact, a company should view its brand to be not just a product or service, but as an overall brand image that defines a company's philosophies. To Aaker, a brand needs more than identity, it needs a personality. Just like a person without attention-grabbing characteristics, a brand with no personality can be passed right over.

According to Aaker (2004), brand loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price. Consumer behavior is habitual because habits are safe and familiar. In order to create brand loyalty, advertisers must break consumer habits, help them acquire new habits, and reinforce those habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future. Aaker (1991) defines brand loyalty as a measure of the attachment that a customer has to a brand. It reflects how likely a customer will be to switch to another brand, especially when that brand makes a change either in price or in product features. Aaker 1991 further argues if customers are indifferent to the brand and infact buy with respect to features, price and convenience with little concern to the brand name there is likely little equity. If on the other hand they continue to purchase the brand even in the face of competitors with superior features, price and convenience, substantial value exists in the brand and perhaps in its symbol. Further Aaker (1991) states loyalty is manifested through commitment. He argues that a strong brand has high equity as a result of the commitment. This commitment manifests itself through a high level of interaction and communication that is involved with the product. The consumer likes to talk about the brand with others and actually recommends it (Aaker, 1991). He further says, brand loyalty is a measure of the attachment that a customer has to a brand. It reflects how likely a customer is likely to switch to another brand, especially due to that brand's change in price and/or product features.

Wambugu (2002) notes that supermarkets, just like any other business are doing a lot in order to build brand loyalty. As such, marketing mangers are concerned with a growing trend towards declining brand loyalty. Among the reasons given for this trend include consumer boredom or dissatisfaction with a product, dazzling array of new products that constantly appear in the market place and increased concern with price at the expense of brand loyalty. Quoting a study by Schiffman (1994), Wambugu (2002) contends that the market share of categories that once commanded brand loyalty, have continued to fall.

Marketers are responding by upgrading their brands to distinguish them, and even promoting them more aggressively (Janofsky, 1993).

Customer loyalty is where customers will choose your brand time and time again, even if they experience the occasional poor service or if another product comes along that seems to be better suited to their needs (Johansson, 2006). To achieve brand loyalty, he notes, a company needs to provide a product that is highly differentiated, with plenty of value added, but also you need to offer then remarkable service at a level they will not get anywhere else. Providing this level of service will ensure that they will never switch. Brand loyalty is however more than simple repurchasing. Customers may repurchase a brand due to situational constraints, a lack of viable alternatives, or out of convenience (Ehrenberg, 2005). He argues that true brand loyalty exists when customers have a high relative attitude towards the brand which is then exhibited through repurchase behavior. To a consumer, loyalty reduces the risks and saves time by consistently purchasing the same brand which offers favorable results. True brand loyalty can be a great asset to the firm. Customers in this case are willing to pay higher prices, they may cost less to serve and can bring new customers to the firm. For example if Joe has brand loyalty to company A he will purchase company A's products even if company B's are cheaper and/or of a higher quality. Therefore, as explained by Fill Chris (2005), the brand becomes established with a buyer so that the psychological benefits of ownership are preferred to competing offerings and therein a form of relationship.

Assael (1998) defines brand loyalty as representing a favorable attitude towards a brand as a result of consistent purchase of the brand over time. According to Assael, loyalty is the result of consumers learning that one brand can satisfy their needs. He further adds that loyalty is not reflected on the behavior alone; rather it implies a commitment to a brand that may not be reflected by just continuous buying behavior. This George Day (1969) who argued that, to be truly loyal, the consumer must hold a favorable attitude toward the brand in addition to purchasing it repeatedly.

2.2.1 Brand Loyalty as a Brand Equity Asset

Johansen (2003) argues that the monetary value of a brand constitutes its brand equity, net revenues the brand can be expected to generate over time. In brand equity measurements, the basic idea is the same as in the valuation of equity shares.

Brand equity has been defined as the brand assets (or liabilities) linked to a brand's name and symbol that add to (or subtract from) a product or service (Aaker, 1991). Brand equity represents the values inherent in the image of the brand and are often based on the communication strategy surrounding the brand rather than on the physical characteristics of the product (Webster, 1994). Brand loyalty, together with name awareness, perceived quality, brand associations and other proprietary brand assets such as patents and trademarks are what determines the level of brand's equity (Kotler, 1999). Brand equity is therefore highly related to the degree of brand loyalty (Kotler, 2000). This is perhaps further explained by David Aaker (1991) when he said that the other four brand equity dimensions enhance brand loyalty. According to Kotler therefore, brand loyalty can be seen as the point of intersection for all the other assets that determine equity level. Kotler's argument can be taken further to say that the strength and impact of the four assets will be seen in the extent to which they enhance loyalty, which in turn transforms into financial benefits for the brand.

Aaker (2004) sees a brand as a total offering of a product or service including a set of assets (and liabilities) linked to the name and symbol that adds (or subtracts from) the value provided by the product or service to firm and/or that firm's customers. The major asset categories include; brand loyalty, name awareness, perceived quality, brand associations and other proprietary brand assets. However, although loyalty is influenced by other dimensions of brand equity, in some cases, it occurs quite independent of them. This is to mean that loyalty provides an important basis of equity that is sufficiently distinct from the other equity dimensions (Aaker, 1991).

2.2.2 Levels of Brand loyalty

Kotler (2000) says that consumers have varying degrees of loyalty to specific brands, stores and other entities. He further divides consumers into four groups of loyalty status as: Hard -core loyals- Consumers who buy one brand all the time; Split loyals: Consumers who are loyal to two or three brands; Shifting loyals: Consumers who shift from one brand to another; Switchers: Consumers who show no loyalty to any brand

Evans (1997) views brand loyalty as a continuum from undivided brand loyalty to brand indifference. He further gives five different categories along the continuum as: Undivided loyalty: This is an ideal one. It is a situation where consumers purchase only a single brand and forego purchase if it is not available; Brand loyalty/ occasional switch: Customers occasionally switch for such reasons as their usual brand being out of stock, a new brand may come to the market and is tried, or a competitive brand is offered at a special low price; Brand loyalty/ switch: Reflects a competitive goal especially in low growth Markets; Divided loyalty: Refers to consistent purchase of two or more brands; Brands indifference: Refers to purchases with no apparent repurchase pattern. It is the opposite extreme of undivided brand loyalty.

Aaker (1991) also proposed five categories of brand loyalty as: The non-loyal buyer (switcher); the habitual buyer; the satisfied buyer; one who like the brand; committed customers. All the above loyalty categories as done by the different authors are somewhat arbitrary (Evans, 1997). The levels do not always appear in the pure form (Aaker, 1991). But the important point is that there are different levels of loyalty which impact differently on brand equity (Aaker, 1991).

2.2.3 Measuring Brand Loyalty

Dick and Basu (1994) have proposed that brand loyalty should be greater under conditions of more positive emotional mood or affect. Thus, brands that make consumers "happy" or "joyful" or "affectionate" should prompt greater purchase and attitudinal loyalty. People may not always purchase the brands they "love" for reasons of high price and so forth. In general, however, brands that are higher in brand affect should be purchased more often and should encourage greater attitudinal commitment. Brand loyalty contribute to brand outcomes such as market share and relative price. Here, as elsewhere, market share is defined as a brand's sales taken as a percentage of sales for all brands in the product category.

For markets to more clearly understand brand loyalty and its management, it is useful to consider approaches to its measurement (Aaker, 1991). He considers loyalty measurement into two; firstly actual behavior and the second is based upon the loyalty constructs of switching costs, liking and commitment; Behavioral measures- this considers actual purchase patterns in terms of repurchase rates, percentage of certain brands and number of brands purchased; Switching costs- if switching costs of a customer like changing a customer ordering system is high the more likely to have a high degree of loyalty; Liking of the brand- evaluation of the customers liking of the firm or brand. Liking can be scaled in ways such as liking, respect, friendship and trust towards a firm or brand; Commitment- this is measured through the indication of the amount of interaction and communication that is involved with the product. Does the customer like to talk about the product to others by telling them why they should buy? It also involves evaluation of the extend the brand is important to person in terms of his activities or personality (Aaker, 1991).

2.3 The Strategic Value of Brand Loyalty

Price premiums and market share have been closely associated with the increasingly salient concept of brand equity. (Aaker, 1996; Bello& Holbrook, 1995; Holbrook, 1991). These two outcomes which in turn drive brand profitability depend on various aspects of brand loyalty. Specifically brand loyal customers may be willing to pay more for a brand because they perceive some unique value in the brand that no alternative can provide (Jacoby and Chestnut, 1978; Pessemier, 1959; Reichheld, 1996). This uniqueness may derive from greater trust in the reliability of a brand or from more favorable effect when customers use the brand. Similarly, brand loyalty leads to greater market share when the same brand is repeatedly purchased by loyal consumers, irrespective of situational constraints (Assael, 1998)

Why do companies want loyal customers? Brand loyalty of existing customers represent a strategic asset, if properly managed and exploited has the potential to provide value in several ways (Aaker, 1991) including: Reduced marketing costs- It is simply much less costly to retain customers than to get new ones. Potentially new customers usually lack motivation to change from current brands and are expensive to contact. Even when they are exposed to alternatives they will often need substantial reason to risk buying and using another brand (Aaker, 1991). Dick and Basu (1994) suggested other loyalty related marketing advantages such as favorable word of mouth and greater resistance among loyal customers to competitive strategies; Trade leverage- Strong loyalty towards brands ensures preferred shelf space because stores know that customers will have such brands in their shopping list. Trade leverage is particularly important when introducing new sizes, new varieties, variations or brand extensions (Aaker, 1991); Attracting new customers- A customer base full of satisfaction and others that like the brand provide assurance to prospective customers especially when the purchase is somewhat risky. This applies especially in product areas that are new or otherwise risky. A satisfied customer base provide an image of the brand as accepted and successful (Aaker, 1991); Time to respond to competitive threats- Brand loyalty provides some breathing room. If a competitor develops a superior product a loyal following will allow the firm time needed for the product improvements to be matched or neutralized.

2.4 Developing and Enhancing Brand Loyalty

Keller (1998) describes 'after marketing' as a necessary new mindset that reminds marketers of the importance of building a lasting relationship with customers to extend their life times. He offers examples of specific activities to nurture loyalty and building relationships with customers; Establishing and maintaining a customer information file, 'Blue printing' customer feedback, Conducting customer satisfaction survey, Formulating and managing communications programs as customer retention activities, Hosting special customer events or programs, Identification and reclaiming lost customers.

Aaker (1991) supports enhancing loyalty as follows; Treat the customer right- the key to keeping customers is simply to avoid driving them away and treat them with respect, always respecting their wished and being responsive to their needs; Stay close to the customer- make use of focus groups to see and hear real customer voice concerns. Encourage customer contact to make them feel valued. Encouraging customer feedback and acting on the customers suggestions makes customers feel valued, Measure/manage customer satisfaction- he advices marketers to conduct regular surveys of customer satisfaction (dissatisfaction) to understand how customers feel towards their products. Understanding how customers feel about your products helps the company in product development and modifications that will suit customer's needs, Create switching cost- creation of switching costs can be done by creating a solution for a customer problem that may involve redefining the business. When the switching costs including financial, psychological, time effort and social costs associated with switching are high, the customer would rather stick to one provider, Provide extras- provision of a few extra unexpected services changes customer attitude from tolerance to enthusiastic. Providing extras like gift wrapping, home/ office delivery and after sales service will help build loyalty to a brand or store.

To convert the customer into a client requires that a pattern of repeat buying is established. This is done by making it possible for the customer to do business with the company. But being a client does not necessarily signal commitment. Since many clients may express high levels of dissatisfaction with the product or service and then switch. A customer oriented approach becomes necessary to turn the clients into supporters- they are pleased with the product or service. If they are really impressed with the quality of the relationship, they may well become advocates- they tell others about their satisfaction with the offer. The power of word of mouth is high and can do even more than advertising. The ultimate expectation should be to make the advocate a partner-a-situation where a mutually rewarding relationship has been achieved and neither party intents to leave the other (Christopher, 1995)

Customer loyalty is seen as a two way street (Webster, 1994). He argues that customers remain loyal to the company that serves their needs and preferences with a total set of related products and services, while an the other hand companies demonstrate and maintain their loyalty to the customers by becoming knowledgeable about them with enhanced product offerings. To achieve loyalty, a brand must go beyond achieving visibility and differentiation (Kotler, 2000). The brand should develop deep relations with the customer group where the brand becomes a meaningful part of the customer's life. When this occurs, the customer will be highly loyal (Kotler, 2000)

2.5 Factors Determining Brand Loyalty

Brand trust and brand affect appear to serve as key determinants of brand loyalty or brand commitment, consistent with the concept of one-to-one marketing relationships (Fournier, 1998; Gundlach, Achrol, and Mentzer, 1995; Moorman, Zalt- man, and Deshpande, 1992; Morgan and Hunt, 1994; Webster, 1992). Brand trust leads to brand loyalty or commitment because trust creates exchange relationships that are highly valued (Morgan and Hunt, 1994). Commitment has been defined as "an enduring desire to maintain a valued relationship" (Moorman, Zaltman, and Deshpande, 1992) Thus, loyalty or commitment underlies the ongoing process of continuing and maintaining a valued and important relationship that has been created by trust.

Michael, et al (2002) list various factors that influence brand loyalty as: Industrial markets- here organizations will regard the heavy users as 'major accounts', to be handled by senior sales personnel and even managers whereas the light users may be handled by the general sales force or by a dealer; Portfolios of brand- consumers buy 'portfolios of brands'. They switch regularly between brands, often because they simply want a change. Thus, 'brand penetration' or 'brand share' reflects only a statistical chance that a majority of customers will buy that brand next time as part of a portfolio of brands they favor. It does not guarantee that they will stay loyal. Influencing the statistical probabilities facing a consumer choosing from a portfolio of preferred brands, whish is required in this context is a very different for a brand manager, compared with the much simpler one traditionally described of recruiting and holding customers. The concept also emphasizes the need for managing continuity; Market inertia- On the other hand, one of the most prominent features of many markets is their overall stability or inertia. Thus, in their essential characteristics they change very slowly, often over decades, sometimes centuries rather than over months. This stability has two very important implications. The first is that if you are a clear brand leader you are especially well placed in relation to your competitors, and should want to further the inertia which relies behind that stable position. This will, however still demand a continuing pattern of minor changes, to keep up with the marginal changes in consumer taste. The second is that if you want to overturn this stability, and change the market, then you must expect massive investments to succeed.

To reap the benefits of brand loyalty companies must not only manage loyalty but they must enhance it (Aaker, 1991). Sufficient knowledge on the determinants of brand loyalty is therefore necessary for these companies. Some of the determinants of brand loyalty include; Availability of the brand- many customers would want to shop in one place for all items. This is due to the constraint of time. Repeat purchasing will enhance commitment and eventually loyalty (Assael, 1998). The brand should create a one stop value shopping place for the customer and also results to convenience and reliability; The image of the brand versus customer self image- if one's image of the brand conforms to his self image then the customer's loyalty to the brand will be high (Aaker, 1991); Level of satisfaction and/or dissatisfaction-this involves many issues such as the problems faced by customers, their sources and how they are addressed (Aaker, 1991). Performance of services conformity to expected performance and the efficiency of service delivery system are key considerations for repeat purchases; Customer service- this consists of several services designed to aid in the sale of a product. They may include credit, delivery, gift wrapping, merchandise returns, longer store hours, parking and personal service (Stanton, 1991). Bearden (1995) concurs by saying that customer service refers to the activities that increase the quality and value that customers receive when they shop and purchase merchandise. Customer service ranges from the customers contact with company staff to his/ her interaction with the service delivery system; Atmospherics of the store- according to Bearden (1995) this refers to a retailer's combination of architecture, layout. Color, sound, temperature monitoring, special events, prices, displays and other related factors that attract stimulate customers; Location- the actual place where the store is located determines whether it is available to the customers or not. The location has an effect on the store's image (Kotler, 1990); Available technology like catalogues or electronic media that allows the customers to shop while at home or at some other non-store location (Davidson, 1998).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the methodology that was adopted in order to meet the objectives of this study as stated in chapter one. Included in this chapter is the research design, target population, sample size, data collection instruments and data analysis procedures.

3.2 Research Design

The research framework is a survey. It involved gathering processing and interpreting data from mobile phone users within Nairobi. The choice of Nairobi as a study area considered its convenience in terms of accessibility, time schedule and financial resources available to the researcher. A descriptive study was preferred to a simple data gathering since it has the dimension of investigating possible relationships between two or more variables. Several other studies pertaining loyalty have successfully used it in the past (Wambugu, 2002, Ongubo, 2003)

3.3 Target Population

The target population was regular mobile phone users from six estates within South C area in Nairobi. These include Amboseli, Kenya RE Gardens, Madina, Real, Almubarak and Eleganze estates all found in South C. These estates have a total of four hundred and seven houses (407). This group was appropriate because of the concept of accessibility, exposure and ability to evaluate the operators. Respondents were selected randomly from different age groups, reflecting both sexes covering respondents who are regular mobile phone users.

3.4 Sample

The sample was selected from the target population. The respondents comprised members of the population selected using a simple random sampling method. One respondent from every second house was interviewed. If a respondent from the second house was not available, then the third house was sampled. The sample comprised of two hundred (200) respondents.

3.5 Data collection method

Primary data was used in the study. A questionnaire comprising both open and closed ended questions was used. The questionnaire was divided into three parts; section A collected demographic information, section B information on the current and previous telecoms operators and finally section C, information on factors that determine brand loyalty and ranking of the most important factors determining brand loyalty.

Respondents' opinion on the degree of importance of the determinants of loyalty were assessed on a Likert- type scale where 1= not important at all and 5= extremely important. Research assistants were used to administer the questionnaires. The questionnaires were administered Monday to Friday between 5.30pm and 7.30pm and between 3.00pm and 6.00pm on weekends. The questionnaires were filled as the research assistant waited. This helped reduce the instances of non-response. Where necessary, the questionnaires were left and picked later in order to ensure a high proportion of usable response.

3.6 Data Analysis

Once data had been collected, it was analyzed using descriptive statistics. These include tables, and percentages to represent the response rate and information on variables that the study considered. Tables of frequencies were used to summarize factors considered important in the choice of a mobile telecommunications operator. The Statistical Package for Social Sciences (SPSS) was used for analyzing quantitative data. These consist mainly of information from the closed ended questions in the questionnaire. Information from the open ended questions were analyzed through narrative analysis and listing. Presentation of findings is in tables of frequencies and percentages with a narrative after each table for ease of interpretation.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter is divided into three sections. Section one presents general research findings on the mobile telephone respondents, the switching behavior and the reasons given for switching. Although this section does not explain any direct link to the objectives, it will be used to deduct some conclusive information from the research findings, percentages, proportions and frequencies were used to analyze the data in this section.

Section two presents the findings on the factors that customers consider to stay long with a mobile telecommunications operator, which was the objective of the study. Factor analysis method of data reduction and classification of variables using SPSS was used to identify the factors that determine customer loyalty. 184 respondents out of the expected 200 responded. This indicates a 92% response rate. The researcher deemed this as adequate and sufficient for the purpose of data analysis.

4.2 Sample characteristics

This involved analysis of the demographic factors such as respondents' age and gender, mobile telephone ownership and switching behavior.

4.2.1 Demographic factors

This section presents findings on the respondents' age and gender. Closed ended questions collected data for this section and the information was analyzed using frequencies and percentages.

Table 4.1 Respondents age

Age Bracket	Frequency	Valid Percent
<20	7	3.8
20-30	96	52.8
31-40	54	29.3
41-50	24	13
>50	3	1.6
Total	184	100.0

Source: Research data

The highest representation of the respondents was from the 20-30 years age group. This was represented by 52.8% of the sample. 29.3% came from the 31-40 age group while the lowest representation was from the >50 years with 1.6%. the 41-50 age group represented only 13% of the sample.

Table 4.2 Respondents Gender

Gender	Frequency	Valid Percent
Male	96	52.2
Female	88	47.8
Total	184	100.0

Source: Research Data

Out of the total number of respondents, 52.2% were males while 47.8% were females. Thus the sample was representative of both genders.

4.2.2 Mobile Telephone ownership and switching behavior

This section presents findings on the general ownership, switching behavior as well as the reasons for switching. Semi-Structured questions collected data for this section and was analyzed using frequencies, percentages and proportions

Table 4.3 Mobile Telephone Subscription

Current Operator	Frequency	Valid percent-
Safaricom	135	73.4
Zain	27	14.7
Orange	18	9.8
YU	4	2.2
Total	184	100.0

Source: Research data

From the findings majority of the customers are subscribed to the Safaricom network. This is represented by 73.4% of the respondents; it is followed by Zain with 14.7%, then Orange and YU with 9.8% and 2.2% respectively. YU had the lowest representation which could be attributed to it being the most recent in the market.

Table 4.4 Multiple mobile telephone subscription

Alternative operator	Frequency	Pet of responses
Safaricom	11	10.7
Orange	37	35.9
Zain	52	50.5
YU	3	2.9
Total	103	100.0

Source: Research data

According to the study, most customers are subscribed to more that one mobile operator. The results showed that Zain has the highest representation as the alternative mobile operator with 50.5% of the customers indicating that it was their alternative operator. This is followed by Orange, Safaricom and YU with 35.9%, 10.7% and 2.9% respectively

Table 4.5 Customers switching behavior

Ever switched	Frequency	Valid Percent
Yes	80	43.5
No	104	56.5
Total	184	100.0

Source: Research data

Although the study established that 56.5% of the customers indicated that they've not switched mobile operators before, 43.5% of the customers have switched mobile telecoms operators before. The reasons given for switching from one operator to another are given in the table below;

Tables 4.6 Reasons for switching

Reasons for switching	Count	*Pet of Responses*
Network congestion	12	11.8
Expensive/ high cost	49	48.0
Poor network coverage	14	13.7
Convenience in business	4	3.9
Influence from family and friends	10	9.8
Promotional activities	5	4.9
Internet services	2	2.0
Network services	6	5.9
Total Responses	102	100.0

Source: Research data

Most of the customers, 48% of the population that confirmed to having switched mobile operators, indicated that they switched operators due to expensive or high calling charges. Other reasons cited were poor network coverage with 13.7% of the responses, network congestion with 11.8%, influence from family and friends with 9.8% of the responses and promotional activities was represented by 4.9%.

4.3 Factors that determine customer loyalty

It is divided into two parts; one presents findings on the factors that considered by customers for staying loyal to a mobile telecommunications operator and part two presents findings on the relative importance of these factors. Data was collected on a 5-point Likert scale and was analyzed using frequencies and percentages.

4.3.1 Factors considered for loyalty

This was the main objective of the study. Factors considered for staying long with a mobile telecommunications operator were analyzed as presented below. The factors were listed in Section C of the questionnaire (see appendix 3).

Table 4.7 Extend to which attributes influence loyalty

Attribute	Extend to which attribute is important (Valid Percent)				
	5	4	3	2	1
Pricing structure	68.2	18.8	8.4	3.9	.6
Current network coverage	64.3	22.7	7.3	5.2	.5
Voice quality	53.9	26.0	7.8	5.8	6.5
Friends, Family and colleagues	48.1	29.9	11.0	2.6	8.4
Customer service	44.8	31.2	11.0	8.4	4.5
Time taken to go through the line	42.9	26.0	17.5	4.5	8.4
Convenience in procedures	37.7	26.6	23.4	7.1	5.2
Error free balance	34.4	15.5	21.4	18.2	10.4
Line replacement procedures	33.1	27.9	18.2	10.4	10.4
Value added services	27.9	29.9	22.1	14.3	5.8
Loyalty programs	22.1	24.0	19.5	15.6	18.8
Mobile device	21.4	18.8	18.2	19.5	22.1
Advertisement features	15.6	17.5	24.0	20.8	22.1

Source: Research data

The study showed that price structure is a critical factor and all the customers indicated that their evaluation of the cost they are ready to pay for a service or a product depends on the benefits expected as promised by the brand as well as their own expectations. 68.2% of the sample indicated that pricing structure as a factor is extremely important in determining their choice to stay long to a mobile telecom operator. Price includes most of the variables including the price of calling both within and across network, short messaging, mode of billing and availability of toll free services. Other factors are current network coverage where 64.3% of the sample indicated that it is an extremely important factor, voice quality with 53.9%, friends, family and colleagues and customer service in that order. 22.1% of the sample indicated that the mobile device and advertisement features are not important at all at influencing their choice to stay long with an operator. Loyalty programs like Bonga points and Rewards are also unlikely to influence loyalty as shown by the study.

4.3.2 Ranking of the factors considered for loyalty

Several factors considered for loyalty were ranked by the customers in the order of their importance with 1 being the most important factor. The factors are listed in Section C of the questionnaire (see appendix 3)

Table 4.8 Ranking of the factors considered for loyalty

Rank	Factor	Frequency	Valid Percent
1	Pricing structure	139	75.3
2	Friends, family and colleagues	49	26.6
3	Access to customer service	38	20.8
4	Value added services	47	25.3
5	Availability of product information	45	24.7
6	Fast action on complaints	22	11.7
7	Availability of top-up cards	29	15.6
8	Location of customer care centers	44	24.0
9	Sales promotion	72	39.0
10	Loyalty programs	82	44.8

The research established that the cost charged for the mobile phone services is a key factor, with 75.3% ranking pricing structure as the most important factor in choosing to stay long with a mobile telecom provider. Friends, family and colleagues has the second highest influence on loyalty with 26.6%, access to customer service is the third most important factor with 20.8%, followed by Value added services such as Mpesa, Zap and mobile banking, availability of product information, fast action on complaints, Availability of top-up cards and location of customer care centers in that order. Sales promotion and Loyalty programs such as Bonga points and Rewardz were ranked as the least important factors in influencing loyalty to a mobile telecommunications operator.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter contains the summary, discussions and conclusions. It also provides the limitations, recommendation for policy and practice as well as recommendations for further research.

5.1 Summary, Discussions and Conclusions

Here the results of the study are summarized, discussed and conclusions are made according to the research findings. The results indicated that customers consider a number of factors for loyalty as discussed below;

From the data analysis, it was established that costs of the services offered such as calls and short messaging, the operators countrywide network, family, friends and colleagues, clarity in communication and courtesy of the customer care personnel were the factors identified as important in choosing to stay loyal to a mobile operator. Value added services create a one stop value shopping place for the customer and also results to convenience and reliability. These services include connection to security firms, mobile banking, money transfer, web services and other after sales services such as warranty and guarantee. Other people using the company's service is critical to retaining loyal customers because they influence the decision of their colleagues to also subscribe and stay long with the same operator. Customer service ranges from the customers contact with company staff to his/her interaction with the service delivery system. Attributes such as honesty, concern, knowledge and friendliness of the shop attendants and the company staff determine whether the customer will be loyal or not.

Generally, the study revealed that 43.5% have switched mobile operators. This implies that brand switching rate is relatively high which could be attributed to the intensifying competition with the operators developing strategies to woo the competitor's customers. Thus there exists potential for brand switching especially with new entrants or to a competitors change of strategy. Therefore there is need for the competitors to align themselves with customer's needs and specifications and incorporate the factors that customers that customers consider for loyalty to their brands.

Due to the nature of the service, there is high perceived risk (Towett 2002) associated with the purchase and hence it is apparent that consumers are likely to remain loyal to a particular mobile telecoms operator if their expectations and needs are met. The switching costs may be high hence making them choose to stay long with the operator. This confirms that the operators can reap the benefits of high brand loyalty (as discussed in chapter 1) which includes reducing marketing costs, trade leverage attracting new customers and time to respond to competitive threats. They can also create barriers to entry if they are keen to identify, develop and maintain customer's loyalty standards.

From the preceding summary and discussions, the following conclusions can be made; the mobile telecommunications operators need to continuously undertake market research in order to align their offerings to the customer needs and expectations as well as respond appropriately to changes in the industry, competition and to emerging customer demands. The distribution strategy could also be reconsidered to ensure availability of the service and scratch cards. Customers want a one stop shop where they can access all the services without much hustle. The operators should enhance their processes to ensure reliability and convenience and delivery of service. Post purchase services should be offered to the customers including a customer help line and information on the services being offered by the operator. Since the customers are price sensitive, the operators should maintain competitive prices to avoid losing their customers to the competitor.

5.2 Limitations

There are a number of limitations that may have affected the results of this study. These include;

The sample size of 184 may limit generalizations. In addition, the study relied on random sampling and this may have affected the results. Had resources and time not been a constraint, a larger sample would have been studied to further bolster the findings of the research. The study was conducted in Nairobi's South C estate whose resident's behavior and preferences may differ from that of people in other areas. This may limit generalizations of the results.

5.3 Recommendations

From the findings and conclusions of the study, it can be seen that the mobile telephone customers consider various of factors for loyalty. Hence it is generally recommended that the mobile telecommunications operators should incorporate and continuously improve on the factors that were brought out by the customers as important in their choice of an operator. As such they shall continuously monitor changes in consumer's preferences, needs and dynamics of customer loyalty through market research.

Research has identified the most important of these factors, which if utilized by the service providers effectively could positively influence consumer response to their marketing strategies. Understanding one's own customers and effectively responding to their needs is inevitable in a competitive world. The mobile operators should therefore prioritize and refocus their efforts on the most value adding market initiatives and focus less on less appealing campaigns.

The operators need to identify, incorporate and enhance all the factors that will turn their customers into loyal customers and maintain such brand loyalty. They should remain committed to delivering quality service that will yield value for money for the customers. The operators need to maintain competitive prices due to the price sensitivity displayed by their customers.

Internal marketing should precede external marketing in order to enhance customer contact with employees hence customer satisfaction. The mobile operator companies need to motivate their employees through training and reward and ensure a pool of courteous, honest friendly and customer oriented employees. The operator companies should ensure that any interaction between them and their customers is one of the topmost pleasant experiences in their already harried day. Customers should be made to feel that they will always be on the receiving end of their personal attention because they are special to them. Superior customer service is far more important to most customers than saving a few shillings.

The operators should also engage in relationship marketing. They need to establish and be committed to long-term mutually satisfying relationships with the customers. This will in turn enhance customer loyalty and hence profitability.

5.4 Suggestions for further research

The study established that price is a key factor determining choice of and loyalty to a mobile telecommunications operator. It was suggested that further study be conducted to establish the effect of operators bringing down cross-network barrier that prevents their subscribers from defecting to new market entrants. Other areas of research include studying the effects of brand name and price on customer brand loyalty to their preferred brand.

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APPENDICES

Appendix 1: INTRODUCTORY LETTER

Sarah Kisaka Kharemwa
D61/8355/2006
School of Business
University of Nairobi
P.O Box 30197
October 2009.

Dear Respondent,

RE: COLLECTION OF SURVEY DATA

I am a postgraduate student at the University of Nairobi, School of Business. In order to fulfill the degree requirements, I am undertaking a management research project on factors that determine customer loyalty to a mobile telecommunications operator. You have been selected to form part of this study. The information you provide will be used exclusively for academic purposes. Kindly assist me collect data by filling out the accompanying questionnaire.

Yours Faithfully,

Sarah Kisaka
MBA Student, University of Nairobi.

Mr. T. Mutugu
School of Business,
University of Nairobi

Appendix 2: A). RECRUITMENT GUIDE

(Please help answer the following questions)

1. How often do you use your mobile phone?
    a) Twice a week
    b) Thrice a week
    c) Daily

2. How long have you been with your current mobile service provider?
    a) Less than one year
    b) 1-3 years
    c) 3-6 years
    d) More than 6 years

(If more than one year, please administer questionnaire)

B). SHOW CARD 1 (For Section C Question B)

Extremely important	**Very important**	**Moderately important**	**A little important**	**Not important at all**
5	**4**	**3**	**2**	**1**

Appendix 3: RESPONDENTS QUESTIONNAIRE

SECTION A

1. Respondent's name (optional)

2. Do you regularly use a mobile phone? Yes ( ) No ( ). If No, terminate.

3. Age bracket...... please tick
   <20 ( ) 20-30 ( ) 31-40 ( ) 41-50 ( ) > 50 ( )

4. Gender...... please tick

   Male ( ) Female ( )

SECTION B

5. Who is your current mobile telecommunications operator?

6. If connected to more than one mobile telecommunications operator, which ones?

   a)

   b)

   c)

7. What attracted you to the current mobile telecommunications operator?
   a)
   b)
   c)
   d)
   e)
   0

8. Have you ever switched mobile telecommunications operators?
   Yes ( ) No ( )

9. Why did you switch from your previous mobile telecommunications operator?
   a)
   b)
   c)
   d)
   e)

SECTION C

A. Please indicate the extend to which the following attributes are important to ***you iff choosing to stay iortger with a mobile telecommunications operator.*** **Please note that 5. indicates extremely important and 1. Not important at all. (Show card 1)**

	5	4	3	2	1
a) Current network coverage					
b) Pricing structure	[				
c) Customer service	[				
d) Time taken to go through the line	[				
e) Voice quality					
f) Value added services	[				
g) Advertisement features					
h) Error free balance	[				
i) Convenience in procedures	[				
j) Mobile device	[				
k) Friends and colleagues	[				
1) Line replacement procedures					
Others m)	[				

n)	[ ]	[ ]	[ ]	[ ]	[ ]
o)	[ ]	[ ]	[ ]	M	M
P)	[ ]	[ ]	[ ]	[ ]	[ ]
q)	[ ]	[ ]	[ ]	[ ]	[ ]

B. What are the most important factors in your choice to stay longer to a mobile telecommunications operator? Please rank all the factors below starting with 1 being the most important.

a) Pricing structure [ ]

b) Access to customer service [ ]

c) Availability of top-up cards [ ]

d) Value added services [ ]

e) Availability of product information [ ]

f) Friends, colleagues and family [ ]

g) Fast action on complaints [ ]

h) Location of customer care centers [ ]

i) Sales promotions [:

j) Others

1. [
ii. [
iii. [
iv. [

Thank you

Appendix 4: List of the six estates in South C, Nairobi

	No. of Houses
1. Amboseli estate	52
2. Almubarak estate	54
3. Eleganze estate	28
4. Kenya re Gardens	112
5. Madina estate	60
6. Real Estate	101
Total	407