

Factors Determining Customer Commitment to Service Providers in Kenyan Mobile Telephone Industry

Abstract:

The study was designed to determine factors which contribute to customer commitment in the mobile telephone service industry. The population of interest comprised of subscribers to mobile telephone companies in Nairobi and Mombasa cities. Two hundred respondents were sampled for purposes of data collection. Data was collected through interviewer administered questionnaires. Factor analysis was used to identify variables which determined customer commitment. It was established that calling habits varied across the two cities. The length of time customers stayed in business relationship had significant influence on their trust for service provider. Commitment to relationship was predominantly determined by level of trust customers had in service providers. Other factors which explained commitment include service quality, reliability and marketing activities by the service provider. Switching costs had significant and positive impact on commitment. Based on results of analysis, it was concluded that customer commitment to relationship vary across industries and geographic market segments. Commitment in Kenya's mobile telephone industry was determined by customer's psychological and emotional factors as well as firm related factors. It was also concluded that efforts towards building trust have significant contribution to commitment. In addition, high switching costs increased commitment only when customers had developed trust in the service provider. The study recommends that studies should be carried out to assess the relative contribution of various marketing mix elements to customer commitment.