

DETERMINANTS OF BRAND LOYALTY AMONG CONSUMERS' IN THE MOBILE TELECOMMUNICATION INDUSTRY IN THE FACULTY OF MANAGEMENT SCIENCES, AKWA IBOM STATE UNIVERSITY, NIGERIA

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ABSTRACT: *The main objective of this study was to examine the determinants of brand loyalty among mobile telecommunication consumers in the Faculty of Management Sciences, Akwa Ibom State University. The survey research design was adopted for the study. The primary data were obtained through questionnaire administered to 175 respondents using simple random sampling technique and a total of 145 copies of questionnaire were retrieved for data analysis. Four hypotheses were formulated and tested at 0.05 level of significance and the data for the study were analyzed using tables, frequency, percentage and Pearson Correlation. The findings of the study revealed that service quality, price, promotion, and network coverage have significant relationship with brand loyalty among subscribers of mobile telecommunication service. Based on this, it was recommended among others that mobile telecommunication service providers should ensure continuous improvement on service quality to attract subscribers' interest to their network.*

KEYWORDS: Service quality, price, network coverage, consumers, brand loyalty, mobile telecommunication service providers.

INTRODUCTION

In today's competitive business environment, the issue of consumers' brand loyalty is of great importance to any organization that engages in producing goods or providing services. Thus, businesses have to make significant effort to facilitate consumers brand loyalty of their products or services. In the telecommunication industry being very competitive, the consumers brand loyalty strategies are necessary to retain customers and ensure repeat patronage in order to have an edge over competitors.

The Nigeria telecommunication industry is one of the fastest growing telecommunication industries in the world. In Nigeria, the Global System for Mobile Communication (GSM) is growing at a fast rate with a large number of subscribers patronizing different networks of their choice. With a rapid growth rate, stiff competition ensues among different mobile telecommunication service providers. This requires service providers to use different marketing strategies in order to influence consumer's choice when selecting telecommunication network.

From the foregoing, many service providers realized that retaining customers is very necessary and important. According to Banerjee, Gara and Bose (2013), companies tried to retain customers by offering incentives in the form of offers, free data, free sim card, bonus, reduced call rates, free

night calls within their own networks. But with time, it has been seen that customer retention is not satisfactory when using such a strategy only (Lam, Erramilli and Murthy, 2004). Subscribers can switch for a number of reasons. To retain subscribers and lessen the effects of switching, service providers are using strategies like offering enhanced service reliability, being more responsive to address subscriber dissatisfaction and developing personalized service packages and prices (Banerjee *et al.*, 2013). However, with stiff competition in the mobile telecommunication industry in Nigeria, it would be interesting to examine variables that determine brand loyalty among consumers (subscribers) in the industry.

Mobile Telecommunication Industry in Nigeria

The History of Global System for Mobile Communication (GSM) in Nigeria is traceable to the deregulation of the telecommunication industry which gave birth to the global system for mobile communication (GSM) revolution from the year 2001 till the present (17 years now) under the civilian administration of President Olusegun Obasanjo, GCFR. Since then, the global system for mobile communication (GSM) has witnessed a phenomenal growth in the number of subscribers from barely less than a million to over 100 million subscribers.

The first GSM network provider that came on board was ECONET (now Airtel), formally launched on the 6th of August, 2001 and MTN Nigeria followed almost immediately. Globacom came on board for the first time introducing per second billing and other packages that brought healthy competition. It was followed by other Network providers such as Etisalat (now 9Mobile), Visafone, Starcom etc.

It is pertinent to mention that the introduction of other GSM network providers such as Etisalat, Visafone, Starcom etc. reformed Econet (Airtel Nigeria) and Globacom Nigeria Limited brought about huge transformation in the telecommunication industry in Nigeria. GSM has contributed positively in boosting economic activities for Nigeria teeming population directly and indirectly. It has also improved the quality of living of Nigerians (www.onlinenaijatech.blogspot.com).

Objectives of the Study

The main objective of the study is to examine the determinants of brand loyalty among mobile telecommunication service consumers (subscribers) in the Faculty of Management Sciences, Akwalbom State University, Nigeria.

The specific objectives of the study are;

- To examine the relationship between service quality and consumers' brand loyalty.
- To determine the relationship between price and consumers' brand loyalty.
- To examine the relationship between promotion and consumers' brand loyalty.
- To examine the relationship between network coverage and consumers' brand loyalty.

Research Questions

- How does service quality influence your choice of the mobile telecommunication service provider?
- To what extent does price determine your choice of the mobile telecommunication service provider?
- How does promotion influence your choice of the mobile telecommunication service provider?

- To what extent does network coverage determine your choice of the mobile telecommunication service provider?

Research Hypothesis

Ho₁: There is no significant relationship between service quality and consumers' brand loyalty.

Ho₂: There is no significant relationship between price and consumers' brand loyalty.

Ho₃: There is no significant relationship between promotion and consumers' brand loyalty.

Ho₄: There is no significant relationship between network coverage and consumers' brand loyalty.

Significance of the Study

The findings of this study will be useful to the telecommunication service providers and subscribers. It will assist the service providers to adopt a better approach to mobile telecommunication. The findings will add to the existing body of knowledge in the Nigeria Telecommunication industry. Finally, the findings will serve as a reference material for researchers who want to carry out a study on similar or related topics.

Scope of the Study

The study covers only Mobile Telecommunication Service users in the Faculty of Management Sciences, Akwa Ibom State University, Nigeria. The study is limited to only four (4) brand loyalty variables—service quality, price, promotion, and network coverage as independent variables as well as brand loyal as dependent variable. It is pertinent to note that the service providers' view about this subject matter is not considered in the study.

LITERATURE REVIEW

Concept of Brand Loyalty

Brand loyalty is widely recognized research concept in marketing. According to Howard and Sheth (1969), brand loyalty has been recognized as an important construct in the marketing literature for at least four decades. The concept of brand loyalty originated in 1920s (Bennett, 2001). However, many definitions of brand loyalty exist; we shall consider the following in this study.

Brand loyalty is a process by which consumer consistently buys a particular brand of product despite competing brands. Brand loyalty is also defined as a repeat purchasing behaviour that reflects a conscious decision to continue buys the same brand (Solomon, 2011). According to Khizindar, Al-Azzam and Khanfar (2015), the most widely accepted definition of brand loyalty is one provided by Jacoby in 1971 as “the biases (non– random) behavioural response (purchase) express over time by some decision – making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes”.

Conceptual Framework

The conceptual framework below is developed to analyze the determinants of brand loyalty among consumers in the mobile telecommunication industry. The model consists of four (4) independent variables – service quality, price (call rate), promotion and network coverage as well as brand loyalty as dependent variable.

Independent Variables

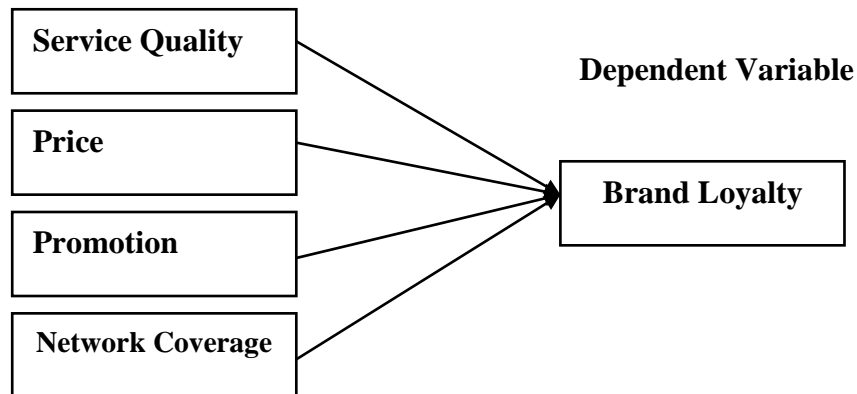


Figure 1: Conceptual Framework

Determinants of Brand Loyalty

Some determinants of consumers' brand loyalty include the following:

Service Quality: Service quality is the perception of the consumer about or overall performance of the brand in terms of service rendered. It is the parameter for measuring the service performance, for example, mobile telecommunication service. Many studies have paid great attention to service quality due to its significance and impact on business performance, customer satisfaction, brand loyalty etc. Multiple factors cause subscribers to be loyal or disloyal to their mobile service providers (Banerjee *et al.*, 2013). Research as well as logic, suggests that improving service quality satisfies subscribers and thus inspires loyalty (Keaveney and Parthasarathy, 2001, Zeithaml, Berry and Parasuraman, 1996).

Price

Price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefit of having the product or service (Kotler and Armstrong, 2010). Price plays a vital role in telecommunication market especially for the mobile telecommunication service provider (Kollman, 2000, Nimako, Azumah, Donkor and Veronica, 2012; Athanassopoulos, 2000, Varki and Colgate, 2001). Nowadays, due to breathtaking competition, the telecommunication service providers tend to offer innovative service as well as competitive price to attract handful magnitude of customers (Haqea, Rahmanb and Rahmanc, 2011).

Promotion

Promotional mix elements: advertising, sales promotion, personal selling, and public relations/publicity. All these elements of promotion help to deliver the ideas, emotion, feeling,

perceptions in the minds of consumers and products distinction against other brands. Therefore, effective promotion programmes can attract brand switcher or inconsistent consumers to become brand loyal. According to Alvarez and Cusiellas (2005), promotion is a set of stimuli that are offered sporadically, and it reinforces publicity actions to promote the purchasing of a certain product. In telecommunication industry, promotion is the medium which is used by the service providers to communicate with consumer with respect to their service offering.

Network Coverage

Network coverage is the geographical area in which a wireless network company offers cellular service for their own mobile phone users (www.webopedia.com). In the Global System for Mobile Communication (GSM), network coverage is the geographical area in which communication service providers offer mobile communication service for their subscribers. It is assumed that the wider the network coverage the more the patronage, everything being equal. Network coverage plays crucial role to determine the brand loyalty among the consumers of telecommunication services.

METHODOLOGY

This section focuses on methods and procedures used in collecting and analyzing data. It includes research design, population of the study, sample size/sampling technique, instrument for data collection and methods of data analysis.

Research Design

The survey research design was adopted for the study. The primary data were obtained through the use of a structured questionnaire.

Population of the Study

The target population consists of subscribers/users of mobile phones, who utilize the communication networks of four service providers - MTN, Airtel, Globacom and Etisalat (9Mobile) in the Faculty of Management Sciences, Akwa Ibom State University, Nigeria. A total of 175 structured questionnaires were administered to the cross section of mobile telecommunication service subscribers in the above named Faculty of the University.

Sample size/Sampling technique

A sample size of 175 respondents was selected using the simple random sampling technique. Out of 175 questionnaires administered to the subscribers, 145 were correctly filled and returned for analysis.

Instrument for Data Collection

The research instrument was a structured questionnaire which contained 24 items and was constructed on a five point Likert scale items ranging from strongly agree 4 to strongly disagree 1.

Mobile Network	Frequency	Percentage
AIRTEL	71	49%
MTN	40	28%
GLOBACOM	25	17%
ETISALAT (9Mobile)	9	6%
TOTAL	145	100%

Methods of Data Analysis

The data obtained through questionnaire administration were analyzed using tables, frequency, percentage, and Pearson Correlation. All hypotheses were tested at 95% or 0.05 level of significance. Statistical package for social sciences (SPSS version 20) was used for data analysis.

DATA PRESENTATION AND RESULTS

Data Presentation

The data obtained for this study were presented using tables, frequency and percentages specifying relevant information on the number of questionnaires administered and retrieved from the respondents. Out of the total of 175 questionnaires administered to respondents, 145 were retrieved and used for the data analysis.

Analysis of Demographic Data

Table 1: Distribution of the Respondents by Gender

Variable	Frequency	Percentage
Male	65	45%
Female	80	55%
Total	145	100%

Source: Field Survey (2019)

Table 1 above shows that 65 respondents out of 145 respondents are male, representing 45% while 80 respondents are female, representing 55%.

Table 2: Distribution of the Mobile Telecommunication Service Providers

Source: Field Survey (2019)

Table 2 above shows that 71 respondents out of 145 used Airtel, representing 49%, 40 respondents used MTN, representing 28%, 25 used Globacom, representing 17% while 9 respondents used Etisalat (9Mobile), representing 6%.

Test of Hypotheses**Table 3: H₀₁: There is no significant relationship between service quality and consumers' brand loyalty**

Variable	Σx Σy	Σx^2 Σy^2	Σxy	r
Service quality(x)	1367	13189	26620	0.911**
Consumers' brand loyalty(y)	2775	53947		

Source: SPSS Computed Results

P<0.05, df =143, N = 145

Table 3 above shows that the calculated r-value is 0.911. There is significant relationship between service quality and consumers' brand loyalty (x and y) because p-value (0.000) is less than 0.05 alpha value. The null hypothesis is rejected while the alternative hypothesis is accepted.

Table 4: H₀₂: There is no significant relationship between price and consumers' brand loyalty.

Variable	Σx Σy	Σx^2 Σy^2	Σxy	r
Price (x)	1202	10244	23464	0.950 **
Consumers' brand loyalty(y)	2775	53947		

Source: SPSS Computed Results

P<0.05, df = 143, N = 145

Table 4 above indicates that the calculated r – value is 0.950. There is significant relationship between price and consumers' brand loyalty (x and y) because p- value (0.000) is less than 0.05 alpha value. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted.

Table 5: H₀₃: There is no significant relationship between promotion and consumers' brand loyalty

Variable	Σx Σy	Σx^2 Σy^2	Σxy	r
Promotion (x)	1533	16383	29696	0.932 **
Consumers brand loyalty(y)	2775	53947		

Source: SPSS Computed Results

P<0.05, df = 143, N = 145

Table 5 above reveals that the calculated r -value is 0.932. There is significant relationship between promotion and consumers' brand loyalty (x and y) because p-value (0.000) is less than 0.05 alpha value. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted.

Table 6: H₀₄: There is no significant relationship between network coverage and consumers' brand loyalty

Variable	Σx	Σx^2	Σxy	r
	Σy	Σy^2		
Network Coverage (x)	1368	13082	26515	0.871 **
Consumers' brand loyalty(y)	2775	53947		

Source: SPSS Computed Results

$P < 0.05$, $df = 143$, $N = 145$

Table 6 above shows that the calculated r -value is 0.871. There is significant relationship between network coverage and consumers' brand loyalty (x and y) because p-value (0.000) is less than 0.05 alpha value. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted.

DISCUSSION OF FINDINGS

The result of the data analysis as presented in Table 3 shows a significant relationship between service quality and brand loyalty. This implies that when there is good service quality, it will attract subscribers to patronize the service providers. The result is in agreement with the research findings of Adjei and Denanyoh (2014) in the study of determinants of customer loyalty among Mobile Telecom subscribers in the BrongAhafo Region of Ghana stated that service quality has a significant relationship with brand loyalty. The result is also in agreement with the research findings of Adeleke and Aminu (2012) on the determinant of customer loyalty in Nigeria's GSM market which revealed the positive relationship between service quality and brand loyalty.

The result of data analysis as presented in Table 4 shows a significant relationship between price and brand loyalty. Price is the most correlated determinant of consumer brand loyalty among the subscribers of mobile telecommunication in the Faculty of Management Science, Akwa Ibom State University. This implies that price charges by services providers encourage patronage. The result confirmed the research findings of Banerjee, Garg and Bose (2013) and Rahmanb, Haquea and Ismail (2010).

The result of data analysis as presented in Table 5 shows a significant relationship between promotion and brand loyalty. This implies that aggressive promotion encourages consumers' brand loyalty in the mobile telecommunication industry. The result confirmed the research findings of Banerjee *et al.*, (2013) and Adjei and Denanyoh (2014).

The result of data analysis as presented in Table 6 shows a significant correlation relationship between network coverage and brand loyalty among mobile telecommunication subscribers. This

implies that a wide network coverage attract patronage in mobile telecommunication industry. The result confirmed the research findings of Adjei and Denanyoh (2014).

CONCLUSION

Based on the findings of the study, service quality, price (call rate), promotion and network coverage have significant relationship with brand loyalty among mobile telecommunication subscribers in Faculty of Management Sciences, Akwa Ibom State University, Nigeria. Therefore, mobile telecommunication service providers have to pay attention more on the above named brand loyalty components to have competitive advantage over competitors and also to build long lasting relationship with their subscribers. It is concluded that service quality, price (call rate), promotion, and network coverage play important role in determining brand loyalty among the consumers (subscribers) of mobile telecommunication.

RECOMMENDATIONS

Based on the findings of the study, the following recommendations were made:

- The mobile telecommunication service providers should ensure continuous improvement in quality of service to attract subscribers' interest to their network.
- The mobile telecommunication service providers should embark on aggressive promotion in order to emphasize their values and to create awareness to prospective subscribers about their network.
- The mobile telecommunication service providers should embark on consumers' (subscribers) reward programmes such as price (call rate) reduction, free internet browsing etc. as forms of incentives to subscribers.
- The mobile telecommunication service providers should provide wide network coverage to encourage more patronage to their network.

IMPLICATION TO BUSINESS AND RESEARCH PRACTICE

The study carefully examined the relationship between independent variables (service quality, price, promotion and network coverage) and dependent variable (brand loyalty) in the mobile telecommunication industry. The findings of this study provided implication for business. The information provided will enable the mobile telecommunication service providers to know the variables that can influence consumer (subscriber) patronize of their network, thereby expanding the market for their mobile telecommunication service. This will also help the mobile telecommunication service providers to establish long lasting relationship with consumers (subscribers). Finally, the study adds to the existing body of knowledge about consumer brand loyalty in the telecommunication industry, especially in Nigeria.

FUTURE RESEARCH

This same research can be carried out in the whole of Akwa Ibom State, Nigeria with a large sample size with the same or more variables of brand loyalty to determine their influence on consumers' patronage of mobile telecommunication network.

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