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# **When Customer base is not loyalty! Differences in the Consumers' Appraisal of Performance of Mobile Telecommunications Service Providers in Port Harcourt**

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## **Abstract**

Reports from both local and international telecommunications agencies attest that Nigerian telecommunications industry is the fastest growing in Africa and one of the fastest growing in the world. Currently, the sector boasts of about 157 million active subscribers being serviced by four dominant operators. However, there have been strident calls by consumers to the regulatory agencies to apply sanctions to the operators as a result of persistent poor quality of service. As a matter of fact, all the service providers do not deliver uniform level of service. This study is therefore aimed at examining the differences in the consumers' appraisal of the quality of service and offerings of the service providers. SPSS 24 was employed in the analysis with analytical tools such as analysis of variance (ANOVA) and T-Test. Our study found that having large customer base does not translate to customer loyalty. Additionally, women subscribers were more emotionally responsive to the value-based offerings than the men as older subscribers were more satisfied than younger subscribers. Theoretically, our study extends the debate on the differences between customer retention and customer loyalty in the context of an emerging market. It is recommended that managers should focus on customer loyalty which has a more profitable long-run effect for the firm.

Keywords: Service quality, value offers, trust, satisfaction, loyalty, service providers

## **Introduction**

Service performance appraisal is a continuous element of consumers' experience with service providers (Pidd, 2005), and critically influences either repatronage or switching behaviour. Thus, in appraising service performance of both public and private establishments, public institutions are often found to be dysfunctional and largely under-optimized. Comparatively, service underperformance of public institutions often receive less severe criticisms unlike profit-oriented institutions that do not only receive criticisms but consumers usually demonstrate their displeasure by service boycott in the form of switching to another service provider (Basu et al, 2012). Since private entities rely exclusively on consumer patronage for their survival, prioritization of excellent service delivery occupies a strategic focus in order to continuously engender consumer confidence for continuous patronage and loyalty (Santouridis & Trivellas, 2010). Consequently, service delivery mechanisms are usually

broken down in order to efficiently and effectively measure performance as well as easily take remedial actions in case of service failures arising from incidences of consumer complaints.

A body of research have examined performance of service providers in different sectors (Seçme, Bayrakdaroğlu & Kahraman, 2009; Bouckaert, Van Dooren, 2009; Chen, 2009; Kuo, Wu & Deng, 2009) and consumers reactions when service performance falls short of expectation (Hsieh et al., 2010; Serenko & Stach, 2009; Fan & Suh, 2014), thus, much of the mismatch between service delivery and consumer expectation which usually leads to dissatisfaction is as a result of firm's inability to specifically tailor services that meet consumers' needs. Accordingly, extant research in the telecommunications industry have consistently applied the relationship marketing variables in the service delivery mechanisms in order to easily measure performance, meet customers' needs and take remedial actions should service delivery not meet consumers' demand. In the light of the above, Kuo, Wu & Deng (2009) submit that service quality, perceived value, customer satisfaction and post-purchase intention are the critical pillars to evaluate a mobile phone service provider. Additionally, Kumar & Lim (2008) contend that mobile service providers are evaluated on service quality, perceived value, customer satisfaction and loyalty while in addition to the above variables, Deng et al. (2010) argue that trust in the service provider plays a mediatory role between the relationship marketing variables and the customer loyalty.





The Nigeria telecommunications subsector is experiencing hyper-intensive competition. Many promotional offerings are rolled out on weekly basis all attempting to woo subscribers. The negative effect is that with a limited infrastructure, the lines are often jam-packed resulting in low quality service which manifests in the form of dropped or uncompleted calls. During the promotion period, those who switch in order to participate in the promotion often abandon it after the promotional period either because another operator is giving some promotional offers or in search of a quality offering. This has resulted in many Nigerian possessing multiple handsets. This is considered a waste of both line and resources on the side of mobile operators. Peng and Wang (2006) posit that consumers are wary of these promotional bombardments. The memory of these promotional appeals does not last. What can be done to retain the consumers in the long run? What can be done to create a loyal customer base that will be profitable both in the short and long-term?

Some studies have been undertaken on how services can be improved in the Nigeria telecommunication sector (Stephen, 2010; Awoloye et al., 2012). This study is therefore aimed at providing an appraisal of the consumers' perception of the services rendered by the mobile service providers. Specifically, the objectives of this study are to: compare the service providers performances as against the relationship marketing variables based on the consumers appraisal of their services and to find out the demographic differentials in the perception of the performance of the different service providers. Against this backdrop, our study extends prior research in the following ways: first, Nigeria is one of the emerging markets in Africa, and consumers' appraisal of the performance of service providers will add to the stream of research in the emerging markets especially in the relationship marketing and mobile telecommunications research paradigm. Second, our study will extend existing research on the dynamics of a market's demographic composition on consumption patterns. Finally, our study will extend research on the cultural orientation of a market and its influence on group behaviour. No doubt, as a collectivistic culture, cohesive group orientation runs through the fabrics of the national life, thus influence service choice and preferences.

### Background on Nigerian Telecommunication Industry

According to Hassan (2011), the reform in the telecommunication sector in Nigeria comprises three parts: privatization, deregulation and liberalization. According to him, privatization was meant to strip off 60% of the government-owned Nigeria Telecommunications Limited (NITEL) share to be sold to private investors and out of this, 40% was meant to go to the core investors while 20% to go to the Nigeria public. At the privatization of the sector, the industry was broken into Global System of Mobile Communication (GSM), Code Division Multiple Access (CDMA) and fixed and fixed wireless. The Nigerian telecommunications sector has shown exponential growth from 553,471 in 2002 before privatization to about 150 million active subscriber base as depicted in Table 1 below:

Table 1. Quarterly Growth in 2016

| Operator  | Q1(March)          | Q2(June)           | Q3(Sept.)          | Q4(Dec.)           |
|---|--------------------|--------------------|--------------------|--------------------|
|    | 57,045,721         | 58,409,767         | 60,558,569         | 61,840,461         |
|    | 34,608,796         | 36,320,572         | 36,967,712         | 37,357,843         |
|   | 33,680,757         | 31,978,848         | 32,757,916         | 34,116,409         |
|  | 21,877,542         | 22,469,896         | 22,534,800         | 20,809,889         |
| <b>Total</b>  | <b>147,212,816</b> | <b>149,179,083</b> | <b>152,818,997</b> | <b>154,124,602</b> |

Source: NCC (2016)

### Literature Review

The evaluation of mobile service providers' performance has varied among researchers, however, majority of the studies hold that service quality, perceived value, trust, satisfactions are antecedents of customer loyalty (Santouridis & Trivellas, 2010). In line with extant research, this study shall adopt the above variables to achieve the above research objectives.

### Service Quality

Fogli (2006, p.4) defines service quality as "a global judgement or attitude relating to a particular service; the customer's overall impression of the relative inferiority or superiority of the organization and its services. Service quality is a cognitive judgement." Kang and James (2004) posit that a customer experiences service quality in two dimensions: technical quality and functional quality. The technical quality refers to the "what" of the service provided, while the functional quality, refers to the "how" of the service. The customer perceives the technical quality of the service as what is received (Kang and James, 2004

p.267). Though Kang and James (2004) argue that the technical quality might be difficult to evaluate, but in the GSM service, the “what” of a service can be evaluated by assessing the quality of calls: how the other party is able to hear clearly what is being said by the other person (Kim et al. 2004). In the same vein, a customer perceives the functional quality as “how” the service is rendered. For instance, in the GSM service, the functional quality can be evaluated by customer support and reliability of the service.

Furthermore, Fogi (2006) postulate five determinants of the SERVQUAL model; reliability, responsiveness, empathy, assurance and tangibility. Reliability applies when service is provided as promised, to be depended upon and handling customer’s complaints, maintaining a sound record of service delivery. Responsiveness is obtained when there is promptness in delivering of service, having the willingness to assist the customer where possible, always updating customers on the availability of services. Some of the time, the personnel rendering the service need to go the extra mile to satisfy the customer. Empathy is obtained when the customers’ interest is at heart, giving them individualized attention, showing a caring attitude to customers by listening patiently to their complaints and being able to solve the problem. In terms of assurance, the firm acts in such a way that customers feel safe in their hands, to be courteous always, an appealing outlook from the sales staff and the service environment. Finally, tangibility implies the firm having equipment that are up-to-date, having a professional outlook and visually appealing facility. Service personnel need continuous and up to date training to keep them abreast of latest technology in their fields.

### **Perceived Value**

Chen & Chen (2010, p.30) defines perceived value “as the consumer’s overall evaluation of the utility of the service provision based on perceptions of what one gets for what one gives”. Researchers are interested in value because consumers have different interpretations of what constitutes value to them. Similarly, perceived value is subjective and based on an individual (Chen & Chen, 2010). Also, consumer can evaluate the same product on different occasions. Consequently, to deliver a service that will be perceived as having value, service providers will align their offerings to the consumers’ needs and preferences and be consistent with it. Thus, two types of value: utilitarian value which comprises the value derived from a product or service that aids the consumer with some tasks, and hedonic value which is derived from immediate gratification that comes from some activity.

### **Customer Satisfaction**

Satisfaction is defined as “the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance” (Homburg and Giering, 2001, p.45). Earlier studies on satisfaction viewed it from the dimension of a post-purchase evaluative judgment comprising a single transaction. But recent literatures have shifted that view to comprise both cognitive and affective processes (Homburg and Giering, 2001). Jiang and Rosembloom (2005) posit that satisfaction could be transaction-specific or cumulative. Transaction-specific is the customer’s evaluation of his experience in a specific product in a given service episode while cumulative satisfaction is the overall evaluation of his experience of a service experience (Jiang and Rosembloom, 2005). Scholars are divided about which of this can lead to loyalty but many suggest that cumulative satisfaction rather than transaction-specific leads to loyalty (Jiang and Rosembloom, 2005). However, a business cannot satisfy every customer as there are different influences on customer satisfaction. For instance, in a study on the customers of a German car manufacturer, Homburg and Giering (2001) identified gender, age, income, involvement and variety seeking as influences on customer satisfaction. Interestingly, all the identified factors are

intrinsic which means that though a business may deliver customer-satisfying services, the interpretation of satisfaction duly rests with the individual consumer.

### **Customer Trust**

Hong & Cho (2011, p.422) posit that “trust is defined as the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party Trust as a construct of relationship quality has continued to enjoy debate among scholars and marketing practitioners. While some propose that it is critical in exchange relationship (Morgan and Hunt, 1994), others opine that it alone cannot be a critical relational construct (Jap and Ganesan, 2000). Trust is developed in an exchange relationship when the partners have confidence, reliability and integrity towards each other. Importantly, trust can be formed when the service provider offers reward attraction, competitive pricing and constant communication in addition to having a direct experiences with the consumers. Siau and Shen (2003, p.92) opine that “such positive direct experiences are considered the strongest trust signal with the highest potential for reducing perceived risk.” The existence of relationship built on mutual trust will avoid opportunistic behaviour, increase long time benefits to the partners, increase switching cost, trigger reciprocal behaviour and impact positively on the profitability of the firm.

### **Customer Loyalty**

Kim (2011, p.622). defines loyalty as “Customer loyalty is defined as “the feeling of attachment to or affection for a company’s people, products or services.” Caceres and Paparoidamis (2007) identify two elements of loyalty: attitudinal and behavioural elements. Behavioural loyalty is seen as “repeated purchases of a brand” while attitudinal loyalty “refers to a degree of dispositional commitment (in terms of same distinctive value associated with the brand)” (Caceres Paparoidamis, 2007, p.839). From the above definition, an attitudinally loyal customer is more likely to remain in the long term than a behaviourally loyal customer because of an emotional attachment to the brand.

### **Hypotheses**

- H1. Consumers will patronize service providers who deliver services perceived as high quality than others.
- H2. All things being equal, there is a difference between large subscriber base and customer loyalty
- H3. Women are more attracted to value-based offerings than the men.
- H4. The perception of service quality is higher with older subscribers than the younger subscribers
- H5. Older subscribers show higher level of satisfaction with the service providers than the younger subscribers.

## Methodology

### Population, Sample and Measurement Variables

The study population comprised GSM subscribers in Nigeria, therefore, sample was obtained from GSM subscribers in Rivers State. Rivers State, being a population and major destination for many tribes, professions is considered representative of the general population. The study was quantitative, and sampling method was convenience and snowball sampling. The survey was developed from relevant and existing scales in previous studies. Thus, 4 items were used in measuring service quality which were obtained from Ganguli and Roy, 2010; Peng and Wang, 2006; 4 items for value offers obtained from Kuo et al., 2009 and Kim et al., 2007; 4 items for customer satisfactions obtained from Zeng et al., 2011; Kuo et al. 2009; 5 items for customer trust obtained from Aydin and Ozer, 2005; Morgan and Hunt, 1994, finally, 4 items for customer loyalty, obtained from Aydin and Ozer, 2005; Zhang and Feng, 2009. Before the survey was administered, a pilot test was run with 15 respondents whose inputs and observations were incorporated in the final copy that were administered to the survey respondents. Access to the sample was mainly through physical contact with the GSM subscribers. In some cases, some copies of the survey were given to some respondents who agreed to administer same to friends and relations. In all, 500 copies of questionnaires were administered and 267 were returned. Of this number, 17 were badly filled which could not be used left with 250 completed questionnaires which represents 50% of the administered questionnaires, see Table 2.

### Data Analysis Results

The Statistical Package for Social Sciences (SPSS) 21 was used in the data analysis, with analytical tools such as descriptive statistics, reliability test, Pearson's correlation, independent samples T-Test, and one-way ANOVA. Following the descriptive analysis as contained in Table 2, 56.8% of the respondents were male while female constituted 43.2%. On the age of the respondents, 18-24 were 32%, 25-31 were 27.6%, 32-38 were 24.4%, 39-45 while 10.4% while those from 46 and above were 5.6%. The disparity between the younger and older people in GSM calls could be attributed to the fact that the younger generation has adopted GSM as a way of life. Apart from making calls, the younger generation uses the GSM handsets for texting, browsing, and, in some cases, as a status symbol. Those employed were 46%, unemployed were 19.2% while students were 34%.

Another important fact in the analysis is that the numbers of students who own GSM phones are more than the unemployed. The reason could be two-fold. One, their access to money more than those who are unemployed, and secondly, the importance of GSM phones to their studies. Additionally, 3.2% respondents use Airtel, 8.4% use Etisalat, 7.2% use Glo while MTN users constitute 81.2% of the respondents. What is rather surprising is that Etisalat, being the latest entrant, has more users than Glo. However, the reason could be that Etisalat offers more value-added services and also because of its fast mobile internet service. 29.6% of respondents spend between ₦100 – 1,000, 29.2% spend ₦1,100 – 2,000, 28.8% spend ₦2,100 – 5,000, 9.6% spend ₦5,100 – 10,000 while those spend above ₦10,000 constitute 2.8%.

Table 2. Descriptive Statistics for Demographics

|        | Demographics | Frequency | Valid Frequency Percent (%) |
|--------|--------------|-----------|-----------------------------|
| Gender | Male         | 142       | 56.8%                       |
|        | Female       | 108       | 43.2%                       |
|        | 18-24        | 80        | 32%                         |

|                                  |                  |     |       |
|----------------------------------|------------------|-----|-------|
| Age                              | 25-31            | 69  | 27.6% |
|                                  | 32-38            | 61  | 24.4% |
|                                  | 39-44            | 26  | 10.4% |
|                                  | 45-Above         | 14  | 5.6%  |
| Employment Status                | Employed         | 115 | 46%   |
|                                  | Unemployed       | 48  | 19.2% |
|                                  | Students         | 87  | 34.8% |
| GSM Service Provider             | Airtel           | 8   | 3.2%  |
|                                  | Etisalat         | 21  | 8.4%  |
|                                  | Glo              | 18  | 7.2%  |
|                                  | MTN              | 203 | 81.2% |
| Monthly expenditure on GSM calls | ₦100 - ₦1,000    | 74  | 29.6% |
|                                  | ₦1,100 - ₦2,000  | 73  | 29.2% |
|                                  | ₦2,100 - ₦5,000  | 72  | 28.8% |
|                                  | ₦5,100 - ₦10,000 | 24  | 9.6%  |
|                                  | ₦10,000 - Above  | 7   | 2.8%  |

Furthermore, the reliability test for all the scales used passed the minimum threshold of 0.7 (see Nunnally, 1978).

ANOVA test was conducted to test the differences in the subscribers' perception of the different offerings by the service providers. Thus, as shown in Table 3 below, MTN ( $M = 3.30$ ,  $SD = 0.97$ ) service quality rating was higher than Etisalat ( $M = 3.25$ ,  $SD = 1.25$ ); Glo ( $M = 2.88$ ,  $SD = 1.24$ ) while Airtel ( $M = 2.22$ ,  $SD = 0.54$ ) was reported as the least. Comparing this result with MTN's current subscriber base at 57 million (see Background section above) and the highest number of respondents in this study, we thus confirm that subscribers will patronize service providers perceived as offering a better service quality than others, thus, **Hypothesis 1** is accepted.

Table 2. Consumer's perception of performance of service providers (One-Way ANOVA)

| Variables             | Airtel   |           | Etisalat |           | Glo      |           | MTN      |           | <i>p-value</i> |
|-----------------------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------------|
|                       | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> |                |
| Service Quality       | 2.22     | 0.54      | 3.25     | 1.25      | 2.88     | 1.24      | 3.30     | 0.97      | 0.11           |
| Value                 | 3.72     | 0.88      | 3.65     | 0.82      | 3.54     | 1.06      | 3.62     | 0.89      | 0.966          |
| Offers                |          |           |          |           |          |           |          |           |                |
| Customer Satisfaction | 3.75     | 0.95      | 3.73     | 1.03      | 3.97     | 0.97      | 3.57     | 0.89      | 0.299          |
| Customer Trust        | 2.80     | 1.23      | 3.59     | 1.04      | 3.88     | 0.62      | 3.67     | 0.83      | 0.25           |
| Customer Loyalty      | 2.88     | 0.96      | 3.82     | 1.14      | 4.11     | 0.81      | 3.79     | 0.94      | 0.25           |

Note: *M* = Mean; *SD* = Standard Deviation;  $p < 0.05$

However, Airtel ( $M = 3.72$ ,  $SD = 0.88$ ) has the highest rating in terms of value-based offering compared to Etisalat ( $M = 3.65$ ,  $SD = 0.82$ ); MTN ( $M = 3.62$ ,  $SD = 0.89$ ) and Glo ( $M = 3.54$ ,  $SD = 1.06$ ). Curiously, Glo was perceived to have outperformed other service providers in terms of customer satisfaction, trust and loyalty. Accordingly, Glo ( $M = 3.97$ ,  $SD = 0.97$ ) was reported as the highest in customer satisfaction while MTN ( $M = 3.57$ ,  $SD = 0.89$ ) was perceived as the poorest. Similarly, subscribers has higher level of trust in Glo ( $M = 3.88$ ,  $SD = 0.62$ ) while Airtel ( $M = 2.80$ ,  $SD = 1.23$ ) was reported the least on customer trust. Finally, Glo ( $M = 4.11$ ,  $SD = 0.81$ ) outperformed other service providers in customer loyalty rating,



followed by Etisalat ( $M = 3.82$ ,  $SD = 1.14$ ); MTN ( $M = 3.79$ ,  $SD = 0.94$ ) and Airtel ( $M = 2.88$ ,  $SD = 0.96$ ). Comparing this result with MTN having the highest in subscriber base, we therefore confirm that there is a difference between subscriber base and customer loyalty, consequently, **Hypothesis 2** is accepted.

Table 3. Test of difference in perceived level of services between men and women (T-Test)

| Variables             | Women    |           | Men      |           | Mean Difference | <i>t</i> | <i>p</i> - value |
|-----------------------|----------|-----------|----------|-----------|-----------------|----------|------------------|
|                       | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> |                 |          |                  |
| Service Quality       | 3.24     | 1.01      | 3.23     | 1.04      | -.011           | -.082    | .935             |
| Value offers          | 3.68     | 0.86      | 3.57     | 0.91      | -.109           | -.961    | .338             |
| Customer Satisfaction | 3.67     | 0.86      | 3.58     | 0.96      | -.088           | -.753    | .452             |
| Customer Trust        | 3.74     | 0.79      | 3.59     | 0.91      | -.157           | -1.422   | .156             |

- The difference between group means significant at  $p < 0.05$  (2-tailed)

Similarly, we conducted a T-Test on how men and women perceived these services. Expectedly, women rated these services higher than the men as shown in Table 3 above. Specifically, women ( $M = 3.68$ ,  $SE = .08$ ) perceived higher level of value offers than Men ( $M = 3.57$ ,  $SE = .08$ ). However, this difference was also not significant  $t(248) = -.96$ ,  $p > .05$ . With this result, we thus confirm that women are more attracted to valued based offerings than the men, thus, **Hypothesis 3** is accepted.

Table 4. Subscribers' age differences in the perception of services (One-Way ANOVA)

| Variables             | 18-24    |           | 25-31    |           | 32-38    |           | 39-44    |           | 45-Above |           |
|-----------------------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|
|                       | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> | <i>M</i> | <i>SD</i> |
| Service Quality       | 3.68     | 0.84      | 3.10     | 1.00      | 2.92     | 1.02      | 3.06     | 1.05      | 2.98     | 1.26      |
| Value Offers          | 3.74     | 0.87      | 3.51     | 0.89      | 3.59     | 0.96      | 3.62     | 0.67      | 3.64     | 1.13      |
| Customer Satisfaction | 3.84     | 0.77      | 3.33     | 0.94      | 3.56     | 0.96      | 3.62     | 0.87      | 4.04     | 1.00      |
| Customer Trust        | 3.89     | 0.73      | 3.52     | 0.87      | 3.47     | 1.01      | 3.75     | 0.73      | 3.54     | 0.81      |
| Customer Loyalty      | 4.04     | 0.82      | 3.62     | 0.97      | 3.67     | 1.07      | 3.75     | 0.88      | 3.79     | 1.09      |

Note: *M* = Mean; *SD* = Standard Deviation;  $p < 0.05$

Finally, one-way ANOVA test was conducted to determine the age differences in the perception of the services as shown in Table 4. Thus, younger subscribers with age range 18-24 ( $M = 3.68$ ,  $SD = 0.84$ ) perceived higher level of service quality than older subscribers with age 45-Above ( $M = 2.98$ ,  $SD = 1.26$ ). Our hypothesis holds that older people's perception of service quality is higher than the younger subscribers, while the result proves the contrary, thus **Hypothesis 4** is rejected. However, the older subscribers were more satisfied with ( $M = 4.04$ ,  $SD = 1.00$ ) than the younger subscribers ( $M = 3.84$ ,  $SD = 0.77$ ), consequently, **Hypothesis 5** is accepted.

## Discussion

The objective of our study was to compare the services offered by the Nigerian telecommunication service providers in line with subscribers' perception of these services. Accordingly, our analyses embraced analytical tools such as ANOVA and T-Tests to determine the service baselines such as service quality, value offers, customer satisfaction, trust and loyalty. From a paltry 553,471 subscribers in 2002 to about 150 million active subscribers currently, the Nigerian telecommunication industry is the fastest growing in

Africa and one of the fastest in the world (ITU, 2017). At the privatization of the sector, four operators emerged to operate the GSM: MTN, Econet, Globacom and MTEL. MTN, a South African-based mobile telecommunications company was established in 1994 and operates in 21 countries across Africa and the Middle East. The firm, the first to be licensed has continued to enjoy a dominant share of the market. According to Hassan (2011), MTN's dominance ranges from infrastructure to subscriber base. Hassan (2011) posits that MTN's subscriber base is larger than the three others put together. He maintains that two reasons are responsible for this: one, being the first to enter the market, it optimized its first mover advantage by building infrastructure in virtually every part of the country. Others that came thereafter share and pay for their infrastructure which comprises towers and backbone network transmission. Two, migration of subscribers from other operators to MTN because calling MTN was cheaper since interconnection rates and calls across networks (off net) attracts higher tariff. However, subscribers have not seized the opportunities provided by the introduction of number portability by the NCC to freely migrate to network of their choice without losing their numbers. Globacom is considered as the second national carrier and is wholly indigenous. The firm has persistently continued to improve its services to the admiration of Nigerians. The exorbitant price charged by MTN was crashed by Globacom in 2002 when it came up with price rate cheaper than MTN (Hassan, 2011). That strategy made many MTN's initial customer's to switch to Globacom. Econet was awarded operating license in 2001. Not quite long, it rebranded to V-Mobile and in 2006, it again changed its name to Celtel, having been acquired by Celtel. Again, in 2008, it rebranded to Zain when MTC was acquired by Bharti Airtel (Obi, 2010). Etisalat was the last entrant in 2008 and it has seen many switching to it. Lastly, MTEL, though one of the early operators has continued to suffer due to political horse trading. The firm is almost dead as most of its subscribers have switched because of poor service quality.

We provided five hypotheses for the study. The first hypothesis which holds that consumers will patronize service providers who deliver services perceived as high quality than others was accepted. Consumers' perception of a service provider in delivering efficient service quality is deemed as the reason for patronizing that service provider. Accordingly, in line with existing realities, MTN commands the highest subscriber base. Similarly, our study finds that subscribers rate MTN as better in service quality than the other operators. This goes to confirm that MTN's subscriber base is the highest because it delivers efficient service quality. However, other reasons may also contribute to MTN commanding the highest subscriber base. After the deregulation of the industry, MTN was the first to be licensed. Thus, it enjoyed first mover advantage. By the time other operators came onboard, MTN has grown exponentially by building telecommunication infrastructure in many states of the country. The introduction of number portability recently by the NCC has not checkmated MTN's growing subscriber base. Our findings however conflicts with an existing study (Alabar, Egena & Gbande, 2014) which reported MTN perform poorest in service quality compared to other operators. Interestingly, the confirmation of hypothesis two indicates that there is a difference between large subscriber base and customer loyalty. From our findings, while MTN has the highest subscriber base, Glo has the highest number of loyal customer base. To this end, we suggest that many of the subscribers with MTN are affected by locked-in effect as a result of their first mover advantage. Thus, even after introducing number portability, many of their customers have continued to remain with them even if they are not truly loyal customers. This finding shows that MTN is pursuing customer retention strategies and not customer loyalty, thus, corroborate existing study which holds that retained customers lack attitudinal loyalty (Nam, Ekinici & Whyatt, 2011) but are merely with the service provider for opportunistic reasons (Morgan & Hunt, 1994). Finally, women had a

favourable perception of these services than the men even as the younger subscribers rated service quality higher than the older subscribers. However, the older subscribers were more satisfied than the younger subscribers. Besides service quality, our findings indicate that other things can contribute to the perception of a satisfactory service by subscribers. Thus, efficient customer service more value-based offerings that are in line with the age of the subscribers could be considered as important in fostering good relationship with customers.

### **Theoretical implications**

Our study makes theoretical contribution to existing literature as follows: first, we found that perception of service quality is related to customer base. Service providers who upscale their service delivery mechanism to the satisfaction of customers will have more customers. Besides promotional campaigns, those customers will convert themselves to brand evangelists to spread positive word-of-mouth about the service provider (Fogli, 2006). Second, our study contributes to the debate on the difference between customer retention and customer loyalty. While some scholars argue that customer retention is a better option (Gerpott, Rams & Schindler, 2001), others contend that retained customers are not to be relied upon but are mere service opportunists who lack attitudinal loyalty (Morgan & Hunt, 1994; Nam, Ekinici & Whyatt, 2011). Evidently, in the case of Nigeria telecommunications industry, MTN's control of the highest subscriber base is not unconnected to a locked-in effect that makes switching difficult. Third, our study also extends literature on women's proneness and easy susceptibility to emotional appeal (Schutte et al. 2001). Women's perception of service quality, value offers, satisfaction and trust are higher than the men. This may be as a result of their emotional makeup, thus portraying them as more emotionally responsive than the men.

### **Managerial Implications**

Service quality is a fundamental criteria for a subscriber's choice of a service provider. It is therefore imperative for managers to ensure that consumers are continuously provided with quality services in terms voice clarity, good customer service and possibly the extension of service/complaint centres. Service providers in the Nigerian telecommunications industry have always deem it necessary to increase service quality when threatened with sanctions from the regulatory agency. This is should not be the case. Consumers should be provided value for their money by being provided with services that meet their expectation. Managers should also consider increasing value-based offerings. These additional services such as special ringback tones, songs, chat forums, wallpapers, news reports such as football and entertainment and different games. Many of these have the tendency of making the consumer stay glued to his/her telephone. Additionally, women are influential in determining service or product preference for the family. Thus, special offers aimed at the women are likely to be accepted by the family. Importantly, as more socially cohesive than the men, they are more prone to spread word-of-mouth. Consequently, a satisfied woman can easily become a brand evangelist in converting other consumers to her preferred service provider.

### **Limitation of study and future research direction**

Though Port Harcourt is a metropolitan city where different people, professions and even nationals of other countries reside, it is possible that if the study was based on bigger cities like Lagos or Abuja, a different result could have been recorded. Additionally, the study was consumer based. It did not take cognizance of the service providers' point of view which could have given the study a balanced status. Finally, and most importantly, our study only looked at the voice service. Currently, data service subscription is increasing and a study that

looks at how consumers evaluate the data service offerings of the services providers is suggested.

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