

An evaluation on factors that influence the choice of a mobile telecommunications...



TITLE: AN EVALUATION ON FACTORS THAT INFLUENCE THE CHOICE OF A MOBILE TELECOMMUNICATION SERVICE PROVIDER

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1. 0 Executive Summary

The Zimbabwean telecommunication sector has grown rapidly over the past years. This exponential market growth attracted new players to this sector, which in turn resulted in increased competition. The aim of this study was to establish critical factors in the selection of mobile telecommunications service providers. A research instrument was employed to collect data from consumers of the three mobile phone operators in Zimbabwe. Convenience sampling, a form of non-probability sampling was used to collect data from 40 participants.

This research used descriptive statistics for data analysis and discussions. The results of the study revealed that customers' selection of which mobile telecommunications service providers to use is influenced by overall service quality, free calls and free SMSs, network capability, reliability of service, network innovativeness, low rate charges, accessibility, promotions with discount, geographic network coverage, family and friends, and customer

care. In addition to this, the study found that customers prefer subscribing to the same service provider as their family members and friends.

However, visually appealing physical facilities and high profile customers, were found to be the least influential factors in selecting mobile telecommunication service provider. Marketing mix elements are relevant towards evaluating factors that determine the selection of mobile service provider in Zimbabwe. However, this study incorporated and investigated further by including factors influencing consumer buying behaviour, which makes it more comprehensive for application in telecommunication services.

Thus, the focus on consumer behaviour was helpful in situating and understanding customers' buying behaviour in mobile telecommunication services. The study recommended specific marketing strategies to enhance the success of mobile service providers in this competitive market and ensure quality service delivery to satisfy customers. This study had limitations in its research design, strategy and sampling method; hence, areas for future studies addressing these shortcomings have been identified and recommended.

2. Background and objectives

The mobile telecommunication industry has grown over the past few decades and has seen the industry undergoing intense competition to attract and retain customers. The mobile industry has become an important factor in global interactions as computer-based technologies and communication networks are being implemented daily. In the last twenty years, the mobile revolution has truly changed the socio-economic landscape of Zimbabwe and

has seen the industry grow rapidly, that is keeping pace with global advancements in the mobile telecommunication market.

The year 1997 marked a new era in the Zimbabwe telecommunication sector as it marked the beginning of deregulation of the telecommunications sector, which was previously a monopoly. The Posts and Telecommunications Corporation (PTC) which was wholly owned by the Government; did not have any competition and thus it flourished as the sole fixed line provider.

According to Melody (1999) technological change and new service opportunities are factors bearing on the telecom reform process everywhere. In 1996, technological advancement saw the birth of NetOne, the first cellular network operator in Zimbabwe, a subsidiary under the PTC.

However, in 1998 things started to change dramatically when the first major new player, Econet Wireless entered the telecommunications market. The deregulation of the telecommunications sector opened the market from a monopolistic market to a competitive multiple service providers. Currently, there are three mobile service providers in Zimbabwe, which are Econet Wireless, Telecel and NetOne, and the competitive pressure is high. The three MSPs compete with each other to grab customers by providing a wide range of both basic services and value added services.

The customers enjoy the option of choices among the service operators and thus the competitive environment causes brand consciousness among the subscribers and potential buyers (Melody, 2003). In order to survive the competitive environment, the service providers must ensure network quality, customer acquisition and retention. Table 1 shows the detail of the mobile

subscribers in Zimbabwe, that depicts the market share of the MSPs. 2.

1Purpose of study The purpose of the study was to evaluate factors that determine the selection of mobile service providers.

Also to evaluate and understand the consumers buying behaviour in selecting service providers and to help service providers to design more appealing marketing programs which deliver better customer value and thus providing the required returns. 2. 2Significance of study The robust competition between the three mobile network operators in Zimbabwe has intensified. Therefore, identifying and understanding the factors which considerably influence the customer buying behaviour is of greatest importance to the marketers.

Thus, the key success factors in mobile telecommunication battles are effectiveness of marketing strategies and understanding of consumer behaviour. The determinant factors for customers choice of the MSP in Zimbabwe is not clear as there is insufficient documentation on the issue. Therefore, there is a need to empirically evaluate and analyze the phenomenon for managerial implications. The outcome of the study would provide insights to service providers to take profound actions towards enriching customers' service experience.

Moreover, the study also builds on existing consumer behaviour literature by exploring the factors influencing consumer buying behaviour that ultimately influence the selection of mobile service providers. In addition, the findings of the study will also assist telecommunication companies to invest their resources more efficiently, or to make changes to crucial quality attributes

that bring out consumers' satisfaction levels. 2. 3Research Objectives The overall objective is to ascertain the logic behind customers' selection of a particular mobile service operator.

Sub-objectives •To determine the social factors which lead the customer towards selecting a particular mobile service provider. •To determine the service quality dimensions influencing the customers' selection of a particular mobile service provider. •To establish the influence of marketing mix elements on purchasing behaviour of mobile service operators. 2.

4Research Questions •Which social factors influence the selection of a mobile service provider? •Which service quality dimensions influence the customers' selection of a particular mobile service provider? Which marketing mix elements have an influence in purchasing behaviour of mobile service operators? Keywords: Consumer behaviour , Service quality, Price, Promotion, Service availability/place 3. 0METHODOLOGY 3. 1Method of Research This is a quantitative study which mainly will depend on numeric data to classify features and count them. According to Burns & Grove 2005: 23, quantitative research is a formal, objective, systematic process in which numerical data are used to obtain information. This research method is used to examine relationships among variables and to determine the cause-and-effect interactions between variables.

This study is concerned with the assessment of factors that influence consumer buying behaviour. 3. 2Types of Research A descriptive research was used for the study to describe factors that influence the customers buying behaviour as well as describing the marketing mix elements that play a role in determining the customers' selection for mobile service provider. <https://assignbuster.com/an-evaluation-on-factors-that-influence-the-choice-of-a-mobile-telecommunications-service-provider/>

Polit and Hungler 1999 state that the descriptive research mainly describes what exists and may help to uncover new facts and meaning.

The purpose of descriptive research is to observe, describe and document aspects of a situation as it naturally occurs. They further state that the descriptive research involves the collection of data that will provide an account or description of individuals, groups or situations. The research instruments that were used for this study were questionnaires with closed questions. 3. 3Population Population selected for this study were all Bulawayo residents who are customers of any of the three mobile service providers available in Zimbabwe which is unknown. 3. Sampling Saunders, Lewis and Thornhill (2003) state that it is not easy to assess the entire population, therefore, it is necessary to assess a sample of the population as an alternative in order to generalize about the entire population. The researcher will target the Bulawayo residents who visit the National University of Science and Technology Campus along Gwanda Road and Cecil Avenue. The sample size used for the research was 100 respondents and a non-probability sampling technique was used. The convenience sampling method was used to select the targeted sample.

According to convenience sampling is a statistical method of drawing representative data by selecting people because of the ease of their volunteering or selecting units because of their availability or easy access. The researcher used this method to get easy access to information from walk in customers at the Main Administration Building (NUST Campus). Time and cost constraints also justified the convenience sampling technique. 3.

5Sources of data collection 3. 5. 1Secondary data Secondary data is the data <https://assignbuster.com/an-evaluation-on-factors-that-influence-the-choice-of-a-mobile-telecommunications-service-provider/>

which is collected for some other purposes or the data which is gathered by previous researchers.

The research was involved in a desk research where information about the background of the telecommunications industry was acquired. The researcher also used articles, books and the internet to gather more information about the factors that influence the purchasing behaviour of mobile service provider. The data acquired aided the researcher in the analysis of data as a tool for deriving in reliable and relevant conclusions. 3.

5. 2 Primary data In this research primary data was obtained by collecting data from questionnaires which were administered at the Main Administration Building at the NUST Campus to the target sample size. The researcher issued the respondents the questionnaire and gave them at most fifteen minutes to fill in the questionnaire. 3. 6 Data collection tools There are many tools available for gathering empirical data but it depends upon research question and purpose of study that which tool is used for study. For this study, the researcher used the questionnaire because it is less time consuming, and provides good quality data easily. 3. 6. 1 Questionnaire

The questionnaire is the medium of communication between researcher and respondent. The researcher used close ended questions because of the quantitative nature of the study. The researcher chose the questionnaire because it is considered to be inexpensive, less time consuming and provide good quality data easily (Babbie, 2010). The questionnaire was drafted with the aim of answering the research question and research objectives. The questionnaire consisted of closed-ended questions as they were quicker and easier to answer and readily accessible to coding and quantitative analysis. <https://assignbuster.com/an-evaluation-on-factors-that-influence-the-choice-of-a-mobile-telecommunications-service-provider/>

The questionnaires consisted of five categories and items on different constructs are organised in each category namely; service quality, price, promotions, availability and social factors. The questionnaires were personally handed to the respondents as they were entering the Main Administration Building. 3. 7Validity and Reliability Gravetter and Forzano (2009) state that the validity of a research study is the degree to which the study accurately answers the question it was intended to answer.

According to Babbie (2010), the reliability of a research instrument is the degree of consistency with which the instrument measures the attributes it is supposed to be measuring. Validity and reliability were not measured for this report. 4. DATA ANALYSIS A five-point Likert scale was used to measure the output of each item answered by the respondents. The outputs, frequency tables were generated using the SPSS package and from these the data was presented in bar graphs. Moreover, the number of respondents who selected each of the response options is reported as percentages of the total number of responses.

The total number of questionnaires issued was 40 but there were three spoilt questionnaires, so for the data analysis 37 questionnaires were analysed.

Service Providers The findings in Fig 1 reveal that a total of 57% of the respondents were Econet Wireless subscribers, whilst 23% were NetOne and 20% being Telecel subscribers. The findings illustrate that most of the respondents were Econet Wireless subscribers. Frequency Responses from Social Factors Fig 2: Frequencies for Social Factors

The findings in Figure 2 reveal that a total of 7% of the respondents disagreed, 36% were unsure and 57% agreed that it is important to subscribe to the same service provider with family members and friends. Additionally, 30% of the respondents disagreed, 10% were unsure while 60% agreed to value friends, colleagues and family members' opinions before buying any product from the service provider. On the other hand, 95% of the participants disagreed, 1% were unsure and 4% agreed that high profile customers of a particular service provider influence them to choose a mobile service provider.

Frequency Responses for Service Quality Dimensions Fig. 3: Frequencies for Service Quality Dimensions Figure 3 reveal that 8% of the participants disagreed, 10% were unsure, 82% agreed that reliability of service influence their choice of the mobile service provider. Moreover, the figure show that 2% of the respondents disagreed, 0% were unsure and 98% agreed that network capabilities of a service provider influence their subscription to a mobile service operator.

It is evident that customer's choice of mobile service provider is significantly influenced by network coverage. It also reflects that 5% of the respondents disagreed, 7% were unsure and 88% agreed that network innovativeness is an important factor that they consider when subscribing to a mobile service provider. Likewise, the results reveal that 18% of the respondents disagreed, 3% were unsure, and 79% agreed that customer care at the service provider outlets influence them to choose a mobile service provider.

Frequency Responses for Price Fig 4: Frequencies for Price Findings in Figure 4 illustrate that 15% of the participants disagreed, 2% were unsure, 83% agreed that low rate charges influence them to subscribe to a mobile service provider. Frequency responses to Promotional Mix Fig 5: Frequencies to promotional mix The findings in Figure 5 reveal that the results shows that 63% of the respondents disagreed, 3% were unsure, and 34% agreed that advertisement influences them to subscribe to a mobile service provider.

These finding revealed that, the majority of the customers indicated that advertisement does not influence their choice of mobile service provider, thus advertisement was insignificant. Additionally, the findings shows that 17% of the respondents disagreed, 11% were unsure and 72% agreed that offers such as SIM card offered with initial balance influences their selection of a service provider. Similarly, Figure 5 reveal that 13% of the participants disagreed, 2% were unsure and 85% agreed that free calls and free SMS encourage them to subscribe to a mobile service provider.

The findings show that free calls and free SMS significantly determine customers' choice of mobile network. Frequency Responses from Service Availability Aspects Fig 6: Frequencies from Service Availability Aspects The data in Figure 6 reveals that 37% of the respondent's disagreed, 30% were unsure, 32% agreed to value visually appealing physical facilities than customer care. Likewise, it illustrates that 11% of the participants disagreed, 10% were unsure and 79% agreed that accessibility of services influence their preference for mobile service provider.

That means ease access to telecommunication services influence consumers' choice. On the other hand, the findings reveal that 51% of the respondents disagreed, 24% were unsure, 25% agreed that international roaming plays an important role when choosing a mobile network. 5.

RECOMMENDATIONS Based on the findings of this research, the mobile service providers are recommended to:

- Provide service quality through network quality, network extension and upgrade.
- Offer quality service at lower rates.
- Provide more offers for family and friends.
- Enrich customer's service experience and loyalty.

Value the importance of day-to-day interactions, such as response quality in call centers, skills of staffs in retail outlets, speed of technical repair and other measures.

- Pay attention to staff skill possession, knowledge, attention to customers and their needs, offering of fast and efficient services and general attitude to customer services.
- Consistently monitor what customers want and what they get through the feedbacks, then identify the gap in between through research and bridge the gap through continuous innovation.

6. LIMITATIONS AND DELIMITATIONS OF THE STUDY

A discussion of the study limitations demonstrates that the researcher understands that no research project is perfectly designed; consequently, the researcher will make no overweening claims about generalizability or conclusiveness about what has been learned (Marshall and Rossman, 2011). This study was limited to evaluate the factors that determine the selection of mobile service provider. In fact, considering resources and time constraints, the research was limited to one town in Zimbabwe. Therefore, it cannot be

representative of the whole of Zimbabwe population's behaviour. Some of the limitations originated from the tool that was used.

The use of the closed ended questionnaire meant that it was not possible to ask follow-up questions and thus finding out the reasons for selecting a particular service provider over the other. The other concern is that this study was measuring factors affecting consumers' perception in the telecommunication sectors were measured, but there is a lack of related literature. The delimitations of a study are those characteristics that limit the scope of the inquiry and define boundaries for the study (Ledez, 2008). Furthermore, the delimitations of this study were also related to the use of a singular research design as opposed to triangulation.

The research instrument and the number of test items were also limited. 7. 0CONCLUSION This study aimed to evaluate the factors that determine the selection of mobile service providers in Zimbabwe. Zimbabwe's mobile telecommunication market has grown over the past decade and it is highly competitive. In any competitive environment, firms are likely to compete in order to attract and retain customers. However, it is extremely important that a company recognizes the needs, wants, tastes, criteria and the perceptions of its customers.

The study employed data representing factors that influence customers' selection of mobile network to identify and meet customers' needs and wants as well as to establish the perceived and preferred service quality, activities that would entice customers, the prices that customers are willing and able to pay, and the possible best ways of utilizing available resources to

supply the needed/desired services. The Zimbabwean mobile networks must maintain a combination of all these variables in order to succeed in a competitive telecommunication market as well as to enjoy the much-needed profit to invest in network infrastructure, innovations and human resources. Providing superior service quality, particularly, in the dimensions of network quality and performance, reliability, responsiveness, and convenience, is of utmost importance that requires mobile service provider managerial attention in order to attract and retain customers. The study suggested that regulators in the Zimbabwe's telecommunication sector should take appropriate measures to include these dimensions in undertaking objective assessment of quality of service of mobile telephone operators in safeguarding customers' interest.

In this study, the focus on marketing mix elements and consumer behaviour was helpful in situating and understanding customers' preferences and buying behaviour in mobile telecommunication services. Besides, it is evident that customers' choice is largely influenced by marketing mix elements. The current study established that customers look at the call rates; promotional mix offers such as free calls/minutes and free SMSs, and promotions with discount and free sample play a vital role in customers' choice of mobile service provider . REFERENCES 1. Babbie, E. R. (2010), The Practice of Social Research. 2th edition. USA: Wadsworth. 2. Burns and Grove aker, M. J. (2003), The Marketing Book. 5th edition. USA: Butterworth-Heinemann. 3. Gravetter, F. J. and Forzano, L. B. (2009). Research Methods for the Behavioural Sciences. 3rd edition. USA: Wadsworth. 4. Hanif, M. , Hafeez, S. , and Riaz, A. (2010). Factors Affecting Customer Satisfaction.

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Planning, Implementation and Control, 3rd edition. Elsevier Butterworth-

Heinemann. Appendix 1 Table 1: Subscriber base in Zimbabwe Service

Provider

Number of Subscribers	
Econet Wireless	10. 2 million
NetOne	2. 6 million
Telecel	1. 8 million

Appendix 2 A QUESTIONNAIRE ON EVALUATION OF

FACTORS THAT INFLUENCE THE CHOICE OF A MOBILE TELECOMMUNICATION

SERVICE PROVIDER Good day, my name is Thembelihle Moyo.

I am a student at the National University of Science and Technology doing

Master of Science Degree in Marketing. I am carrying out a evaluation on

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factors that influence the selection of a particular mobile service provider. The information solicited herein is purely for academic purposes and will be treated in the strictest confidence. 1. Which service provider's connection do you have? Econet Telecel NetOne 2. Social Factors Using a scale of 1 to 5, with 5 being "strongly agree" and 1 being "strongly disagree". Please indicate the extent to which you agree or disagree with the following statements:

Strongly Disagree Disagree Not Sure Agree Strongly Agree Family and friends should be the sole reason of choosing a mobile network I value the opinions of my friends when making purchasing decisions High profile customers inspire me in making purchase decisions 3. Service Quality Strongly Disagree Disagree Not Sure Agree Strongly Agree The mobile service provider I use is reliable The mobile service provider has a wide network coverage The mobile service provider has high quality in network innovativeness The have high standards of customer care 4. Price Strongly Disagree Disagree Not Sure Agree Strongly Agree

The low rate charges attract customers to this service provider 5.

Promotional Mix Elements Strongly Disagree Disagree Not Sure Agree Strongly Agree The advertisements of this mobile service provider attracted me to be their subscriber The sim card with initial balance attracted me to this mobile service provider The free calls and free sms attracted me to be a subscriber 6. Service Availability Aspects Strongly Disagree Disagree Not

Sure Agree Strongly Agree The offices are visually appealing The service is easily accessible International roaming is one aspect that is essential in a mobile line THANK YOU

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