

UNIVERSITY OF CAPE COAST

CUSTOMER RELATIONSHIP MANAGEMENT AND CUSTOMER
SATISFACTION AT MTN GHANA LIMITED

BY

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2015

DECLARATION

Candidates Declaration

I hereby declare that this thesis is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Name: Eric Oduro

Candidate's Signature..... Date.....

Supervisors' Declaration

We hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

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ABSTRACT

The study sought to examine customer relationship management and customer satisfaction with Mobile Telephone Networks (MTN) Ghana. Specifically, the study sought to uncover how Mobile Telephone Networks Ghana maintained quality relationship with customers using its Customer Relationship Management system and also how customer relationship management can influence customer satisfaction among Mobile Telephone Networks subscribers without overlooking other determining factors of satisfaction. Data for the study came from a systematic random sampled 377 Mobile Telephone Networks mobile subscribers.

The descriptive statistics results showed that customer satisfaction with Mobile Telephone Networks appeared to be very low among respondents. The results of the multiple regression suggested that significant positive relationships existed between customer satisfaction and perceived product/service quality, relationship quality, and customer loyalty, but not for other variables such as customer expectation, customer complaint, and perceived value.

The study concluded with some recommendations for Mobile Telephone Networks Ghana. Among the recommendations suggested are: managers of Mobile Telephone Networks Ghana should consider the perceptions of product/service quality, the level of relationship quality and loyalty when managing relationships with customers. Also, management of Mobile Telephone Networks Ghana should work assiduously to bridge the gap between their perceptions of relationship quality and that of customers.

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To the various authors whose works were consulted in the course of writing this thesis, I say thank you. I must state, however, that I am solely responsible for any shortcomings which may be found in any part of this work.

DEDICATION

To my lovely wife Gladys Oduro for her support and encouragement.

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CHAPTER ONE

INTRODUCTION

Background to the study

Many strategies have been used by organisations in the past such as supply-push strategy to produce products and services with specifications to match customer specifications. This strategy, however, later became inefficient and as a result of that another strategy evolved. This new evolution was called demand-pull strategy and was aimed at producing products and services based on customer preferences. This product strategy was also replaced by a customer centric strategy called Customer Relationship Management (CRM) (Zong, 2008).

Customer Relationship Management (CRM) is becoming more and more important due to the challenging business environment faced by organisations throughout the world today. Particularly, it is critical in companies experiencing changes in traditional channel configuration. Customer Relationship Management is the best way of addressing increasing competition, changing economic conditions and promotional dependence through the use of intimate customer knowledge; knowledge gained through relationship development and past marketing programmes (Baran, Zerres, & Zerres, 2008).

Intimate customer relationships offer organisations many advantages. For instance, Fournier (1998) stated that committed and satisfied customers can be realised as organisational assets who are likely to be a source of favourable word-of-mouth referrals and are more resistant to competitor's offers. Intimate customer relationship can create committed customers that do not just offer an organisation with repeat purchases; rather, these committed customers have emotional attachment to the seller (Ragins & Greco, 2003). According to the authors, these emotions include trust, liking, and believing in the organisation's capability to respond effectively and promptly to a customer problem.

An important justification for CRM is that it improves business performance by enhancing customer satisfaction and driving up customer loyalty. Satisfaction increases, since CRM increases customer insight which allows companies to understand their customers better, create improved customer value propositions and better customer experiences (Buttle, 2012). According to Anderson (1994), as satisfaction rises, so does customer intention to repurchase.

Since the influential study by Reichheld and Sasser (1990) on customer satisfaction and links to customer profitability, the marketing community has become much more aware of the need to manage customer relationship in the long run as well as before the first sale in order to satisfy customers. Thus, organisations should try as much as they can to establish long lasting relationships with customers even before they make the first purchase.

Berry (1995) stated that as competition soared and organisations continue to attack each other's customer base, organisations became more focused on customer satisfaction, providing value to the customer and even exceeding customer's expectations through quality improvement to protect their customer base. The author further argued that failing to provide quality services, quality customer relations, and creating value that would exceed customer expectation leads to customer defection.

According to Croteau and Li (2003), while retaining customer loyalty has been a sales and marketing responsibility for some time now, CRM is essentially a tremendous way forward in creating a system that can provide a means for retaining individual loyalty in the whole world. Today, firms are beginning to visualise their customers as their most treasured assets (Croteau & Li, 2003). They are, therefore, moving their business strategy from product-centric to customer-centric; thus, placing the customer at the core of all aspects of the enterprise (Marshall & Johnston, 2010).

According to Greenberg (2001), in order to understand CRM, an organisation must also understand the changing nature of the customer since their attitudes and behaviour have changed over the years. Over the years, customers have become very well educated, under intense pressure and stress, more specialised, living longer, and are more influenced by global culture than when the world's view of marketing was formed (Wilson, Daniel, & McDonald, 2002). With the arrival of knowledge-economy those organizations which successfully

recognise, build and enhance their knowledge capabilities will be more successful and are considered as knowledge-enabled organisations (Rowley, 1999).

Zack (2003) asserted that these organisations segment their markets not only based on their products and services, but also based on the volume of knowledge which they have acquired or learned from their customers. Thus, the more knowledge an organisation has about its customers, the more it enhances its ability to segment markets and target that segment it can serve profitably.

Greenberg (2004) stated that customers are the core of businesses and the success of a company relies on customers' satisfaction level and the ability of the company to manage its relationship with customers. Therefore, the most important objective for a company is to make sure its customers are well satisfied, because the continuity of their business depends on them. The author further argued that, in the past, many companies were focused on transactions, merely occupied with making more profit and overlooked the relationship factor. Improving CRM, and as such, customer retention reduces a company's marketing costs. Buttle (2012) emphasised that fewer resources need to be spent replacing defected customers and as a customer stays longer with an organisation, the organisation is able to develop a better understanding of customer requirements and expectations. Also, customers come to understand what an organisation can offer them.

According to Wilson et al (2002), the whole concept of CRM is that it aids an organization to tailor specific products or services to each particular

customer. In a more improved state, CRM may be used to create a personalised, one-to-one service or offer that will give the individual customer a sense of being cared for, thereby opening up new marketing opportunities based on the preferences and history of the customer.

Most of the studies conducted in the developed countries concerning the relationship between customer satisfaction and a number of antecedents and consequences showed a positive relationship between customer satisfaction and its factors including customer expectation, perceived quality, perceived value, customer loyalty, and customer complaint using the American Customer Satisfaction Index model (ACSI, 2008, Wu and Ding, 2007). For instance, Coner and Gungor (2002) suggested that quality of product and service is directly related to customer satisfaction. Also, Yang (2001) posits that the value customers perceive they are receiving have an impact on their satisfaction level.

Again, Bearden and Teel (1983) asserted a positive relationship between customer expectation and satisfaction. Cronin and Taylor (1992) argued that loyalty is one of the consequences of satisfaction. The American Customer Satisfaction Index has a uniform, customer-based definition of quality which is customer satisfaction with the quality of goods and services purchased and used. Also, ACSI treats satisfaction with quality as a cumulative experience, rather than a most-recent-transaction experience. Again, ACSI uses a cause-and-effect that measures satisfaction quantitatively as the result of survey-measured input of customer expectations, perceptions of quality, and perceptions of value (that is, quality for cost).

Since researchers from many different disciplines have studied the impact of relationships on human behaviour, marketing has a rich theoretical landscape from which to draw to understand relationship marketing. For instance, Blau (1964) propounded the social exchange theory which helps to understand the reason for forming a relationship. The main reason according to the theory is to accomplish outcomes that neither could be achieved on their own and that parties would not act opportunistically. These exchanges according to the social exchange theory would cease as soon as they are perceived not to be mutually rewarding by both parties.

Also, the commitment-trust theory of relationship marketing by Morgan and Hunt (1994) posit that it is the presence of relationship commitment and trust which enables a relationship to endure, and that, they represent the key elements that explain a relationship's impact on performance. Thus, relationship partners who are committed expend extra effort and work to maintain and strengthen relational bonds, which positively influences cooperation, financial performance, and other positive outcomes (Kumar, Hibbard, & Stern 1994; Morgan & Hunt, 1994). The expectancy disconfirmation theory on the other hand asserted that it is the formation of expectation prior to purchase and the disconfirmation of those expectations through performance comparisons which determines customers' satisfaction level (Buttle, 2012; Oliver, 1997).

Around the world, telecommunication is among the most important services in an economy and its role in a nation's development can never be underestimated (Melhem & Tandon, 2009). In this competitive era in the

Ghanaian telecommunication industry, innovation has been brought to sharper focus, with the introduction of various services such as mobile money, teleconferencing facilities, international roaming, internet facilities and the likes, giving customers a range of choices apart from just making and receiving phone calls (Mahmoud & Hinson, 2012).

The competitive nature of the telecommunication industry today presents Mobile Telephone Networks (MTN) Ghana Limited opportunities and threats as far as corporate performance, customer satisfaction, customer loyalty and retention are concerned. Outstanding corporate performance and quality relationship with customers are not the only criterion for continued operation in the industry, but also a necessary condition for a particular company (MTN Ghana Limited) to assume a competitive advantage as it sought to exceed customer expectations. The MTN Group officially took over Ghana's top mobile telecommunication service provider, Areeba, a year after it purchased Investcom LLC, Areeba's parent company. Areeba Ghana is now known as MTN Ghana. In July 2006, MTN acquired Investcom. Investcom's takeover added five million more customers to MTN.

Until August 2005 when Investcom bought into Scanco Ghana Limited, the original owners, Areeba Ghana was known as Spacefon. After the takeover, it maintained the combined name of Spacefon Areeba for several months before Spacefon was dropped. Since its incorporation into the MTN Group, Areeba Ghana has focused on a previous roll out backlog, commissioning more than 280 base stations during the last three months of 2006, improving service and call

quality and strengthening network infrastructure. Mobile Telephone Networks is the market leader in the increasingly competitive mobile telecommunications industry in Ghana in terms of market share, quality human resource, solid financial/assets base, countrywide dispersion of computer networked offices, product quality and diversity, and most importantly, responsible corporate citizenship activities. The network coverage of MTN is extensive, covering all ten regional capitals and many rural and remote areas.

The company have a software programme (a CRM system) which enables them to build and maintain quality relationships with customers. Customers' data are installed in this software which enables the company to contact customers regarding new offers and promotions. Also, the CRM system enables the company to inquire from customers whether they are satisfied with their products and services.

Statement of the problem

According to Berry (1995), not until the mid-1990s, literature and research concerning service organisations focused on financial numbers, the workforce and the resources being used by an organisation. Not too many organisations gave much more attention to customer satisfaction and creating quality customer relationship between organisations and their customers. Service provision has suffered countless setbacks in Ghana, as service organisations have always been condemned for providing poor quality of services (Boohene & Agyapong, 2011). Boohene and Agyapong (2011) further argued that service organisations have

failed to maintain quality customer relationship and had, therefore, led to low customer loyalty in the country.

Frempong and Henten (2004) argued that there is a widespread dissatisfaction with telecommunication network providers in Ghana among users. According to Nimako, Azumah, and Donkor (2010), telecommunication networks in Ghana are battered with frequent interconnectivity problems and customers are very disheartened about the poor service quality delivered by these companies. It was of no surprise that Adjetey (2012) doubted whether telecommunications companies in Ghana have policies in place to achieve total customer satisfaction. Nimako et al (2010) stated that, among users, policy makers, and administrators there are widespread dissatisfaction with the general telecommunication development in Ghana.

To improve competition in the telecommunication sector, the Mobile Number Portability (MNP) was introduced in Ghana on the 6th of July, 2011 to enable mobile phone companies lure unsatisfied customers to their network (National Communications Authority, 2011). Mobile number portability is a system in which a mobile phone customer is allowed to change to a different service provider while retaining their entire original mobile phone number, including the old network code. When the MNP was introduced in Ghana the total mobile phone subscription, as at August 2011, was 19,893,191 and, out of this figure, a total of 138,458 mobile phone subscribers, as at October 2011, took advantage of it to move from one provider to another (NCA, 2011).

From the launch date of July 7, 2011 until the end of the second year 817,202 porting requests had been completed. The number of completed ports represents about three per cent of the total active mobile subscription base of about 28 million. Statistics indicate that most customers who have ported are satisfied with their decision to do so, as 75 percent of them remain active on the networks to which they have ported their numbers. The others have since moved on to a third or fourth network, or gone back to their very original network. Current figures show that the net impact on each operator ranges from a positive of five per cent to a negative of two percent of their respective subscriber base (NCA, 2013).

Following the recent state of service disruptions on the MTN network, the NCA has had to engage Scancom Ltd, on several occasions, on the issues of quality of service degradation (network reliability, network availability, call drop, call set-up, and denial of service) being experienced by consumers of mobile services. Notwithstanding these engagements, network performance on MTN continued to deteriorate. As a result, the NCA directed Scancom Ltd to, with immediate effect, cease selling and/or adding any new SIM cards/subscribers to MTN network until further notice (NCA, 2013).

Mobile Telephone Networks was also slapped with more than GH¢ 1 million fine for inaccurately charging for incoming international calls (NCA, 2013). Frustrated MTN customers expressed their dissatisfaction on the poor quality of services rendered by MTN at the company's Facebook page and also, for not living up to expectations. This, in fact, is a wakeup call for MTN Ghana

Limited if they want to be in competition by providing quality services for their cherished customers.

A number of studies have been conducted in the developed countries concerning the relationship between customer satisfaction and a number of antecedents and consequences, including customer expectation, perceived product/service quality, perceived value (price fairness), customer loyalty, and customer complaint using the American Customer Satisfaction Index model (ACSI, 1994; ACSI, 2005; ACSI, 2008; Wu & Ding, 2007). These studies indicated that all these factors play central role in determining customer satisfaction levels. However, in the developing world, including Ghana, no such study has been conducted using these variables to determine its impact on customer satisfaction. This study is being carried out to see if the factors that determined customer satisfaction in the studies conducted in other areas using the ACSI model will hold for the case in Ghana.

Also, studies have been carried on CRM in other areas of the world (Agbaje, 2014; Johansson & Sparredal, 2005). However, all these studies were centred only on the benefits derived from the implementation of CRM systems but not how CRM (Relationship quality) can be used to determine customer satisfaction. However, in relation to the Ghanaian telecommunications industry, there are no such studies linking CRM (Relationship quality) to customer satisfaction.

Since there is an increasing number of similar products and services in the Ghanaian telecommunications industry and competition among firms escalating, companies now look towards capturing customers on some factors, other than product quality, price, or convenience (Brown, 2000). For instance, MTN and Vodafone Ghana are offering similar Huawei phones at almost the same prices to customers and these phones are available at their walk through service centres. This means that customer satisfaction might go beyond these factors. According to Brown (2000), companies must focus on building unique, one to one relationships with customers based on individual needs and wants. Therefore, beyond product/service quality and the factors mentioned earlier, there might be other factors that may influence satisfaction. As a result, the present study introduced a new variable, relationship quality (a subcomponent of CRM), that it might also influence customer satisfaction (Roberts, Varki, & Brodie, 2003).

Objectives of the study

The main objective of the study was to examine Customer Relationship Management and customer satisfaction at MTN Ghana Limited. Specifically, the study sought to:

1. Assess how MTN Ghana Limited uses its CRM systems to build relationship with customers.
2. Ascertain whether relationship quality and customer loyalty can influence customer satisfaction at MTN Ghana Limited.
3. Establish how customer expectation can affect customer satisfaction at MTN Ghana Limited.

4. Determine the effect of perceived quality and perceived value on customer satisfaction at MTN Ghana Limited.
5. Determine the effect of customer complaint on customer satisfaction at MTN Ghana Limited.

Research questions

1. How does MTN Ghana Limited build relationships with customers using its CRM systems?
2. What factors affect customer satisfaction at MTN?

Statement of hypotheses

1. ***H₀***: Relationship quality and customer loyalty have no direct effect on customer satisfaction.
2. ***H₀***: Customer expectation has no direct effect on customer satisfaction.
3. ***H₀***: Perceived product/service quality and perceived value have no direct effect on customer satisfaction.
4. ***H₀***: Customer complaint has no direct effect on customer satisfaction.

Scope of the study

The study was focused on MTN Ghana Limited, since it happens to be the leading telecommunication company in the country and one of the giant telecommunication companies that received patronage from a significant percentage of subscribers since its operations in Ghana. Geographically, the Sunyani Municipality is considered as the research scope. In this city, the study

focused on the management of MTN Ghana Limited, distributors and retailers as well as current subscribers. The study covered MTN's operations for the period of 2009 to 2014.

Significance of the study

The study will provide the management of MTN Ghana Limited the unique opportunity of presenting from empirical evidence the effect of relationship quality (CRM), customer expectation, perceived product/service quality and perceived value, customer loyalty, and customer complaint on customer satisfaction. It will, particularly, identify the challenges of the company; expose its weaknesses and how these affect the quality of relationship and service delivery and customer satisfaction. Management can, therefore, based on these and together with the company's strength and opportunities, develop responsive measures that can well position MTN to assume competitive advantage in Ghana's telecommunication industry and to provide satisfactory services to its customers.

Also, the study will contribute empirically to the body of knowledge and existing literature on customer relationship management and customer satisfaction specifically in telecommunication industries. Again, the outcome of the study can be useful to marketing professionals, the academia and researchers in the discipline as it would provide the needed understanding to support future research regarding the subject matter. It would also satisfy the

interest of the reading public and it is hoped that the opinion expressed in the study would generate lively discussions on the issue.

Organisation of the study

The study report is organised into five chapters. Chapter one focuses on the key issues and challenges. It started with an introduction of the study, which the background discusses issues on customer relationship management, customer satisfaction and retention. The statement of the problem under investigation, objectives, research question, significance, and scope of the study are also discussed in chapter one. Chapter two of the study contains a review of relevant related literature that will provide the theoretical framework and backbone for empirical studies. The concept of customer relationship management and its benefit is reviewed.

The methodology, which describes the procedures, tools and techniques used in the study, is presented in Chapter three. Chapter four contains analysis of the data. Answers to all the objectives are presented in this chapter, with the summary of findings, conclusion and recommendations in Chapter five.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter reviews literature on relevant issues to provide a theoretical background for the research. Customer Relationship Management is defined in this chapter. Also, relationship management theories are reviewed as well as other concepts in this field. The researcher also reviewed empirical studies on CRM and customer satisfaction. Finally, from the theories, concept and empirical review, the researcher came out with a conceptual framework that is used for the rest of the study.

Defining customer relationship management (CRM)

The expression customer relationship management (CRM) has only been in use since the early 1990s. In fact, the three-letter acronym CRM has been used to identify Continuous Relationship Marketing, Customer Relationship Marketing, and Customer Relationship management (Buttle, 2012). However, whichever way the term is used, it represents the same process. Since the early 1990s, there have been many attempts to define the domain of CRM.

From this initial decade of CRM evolution, many authors who tried to define the subject understood CRM as a process of continuous gathering, processing and following utilisation of customer data, which works on the basis of database technology and is done by a software programme. For instance, one of

the first definitions of CRM by Kotler and Armstrong (2004, p. 248) identifies CRM as: “a special software programmes and analytical techniques that serve for integration and utilisation of vast amount of data about individual customers stored in a database. Customer Relationship Management consists of sophisticated software and analytical tools, which sorts customer’s information from all sources, conduct thorough analysis and use these outcomes for strengthening the relationship with the customer”.

This activity, according to Kotler et al (2004), enables the company to understand needs, wishes and purchase habits of its customers. Some of this data might be used to foresee future opportunities. This understanding is agreed on by other authors reviewing this issue (Starzyczna & Pellesova, 2005). However, as Starzyczna and Pellesova (p.155) further noted, “CRM is something much more”. As a result of that, newer definitions understand CRM as a broader term, for example, Peelen (2005, p.6) states: “CRM is to be regarded as a business strategy that is aimed towards developing long-term, mutually profitable, individual customer-supplier relationships and is placed on an information technology infrastructure to be developed, one that enables well-defined and controlled processes, and places capable personnel in a position to function optimally.” Other authors also agree to CRM as being an important business strategy and they include the following:

Buttle (2012, p.15) also define CRM as: “the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality

customer-related data and enabled by information technology”. Greenberg (2001, p.14) stated that: “CRM is an enterprise-wide mind-set, mantra, and set of business processes and policies that are designed to acquire, retain and service customers. CRM is not a technology, though technology is a CRM enabler”.

Bose and Suguraman (2003) noted that: “CRM is about managing customer knowledge to better understand and serve them. It is an umbrella concept that places the customer at the centre of an organisation. Customer service is an important component of CRM; however, CRM is also concerned with coordinating customer relations across all business functions, points of interaction, and audiences” (p.4)

The definition by Buttle (2012) is adopted for this work. From the definition, CRM is seen as a ‘core business strategy’ that aims to ‘create and deliver value to targeted customers at a profit’. This definition buttresses the point that CRM is not just about information technology. However, underpinning this core business strategy is IT: software applications and hardware. CRM ‘integrates internal processes and functions’. Thus, CRM allows departments within businesses to dissolve the silo walls that separate them in order to work assiduously to achieve organisational objectives. These organisational objectives include establishing long term relationships with customers through quality relationships (CRM) development to enhance customer satisfaction.

According to Gefen and Ridings (2002), CRM can be divided into three different types; strategic (analytical), operational, and collaborative. Strategic CRM, also known as back-office or analytical CRM involves understanding the

customer activities that occurred in the front office and enables an organisation to analyse customer relationships through data mining (Shaw, 2001). Operational CRM enables and streamlines communication and involves the areas where direct customer contacts occur, for example, call centre (Romano, 2003). According to Greenberg (2001), collaborative CRM is almost an overlay. It is the communication centre, the coordination network that provides the neutral paths to the customer and supplier (Schubert & Koch, 2002). It could mean a portal, a partner relationship management application, or a customer interaction centre (Gefen & Ridings, 2002).

Customer relationship management and customer – related database

Customer relationship management (CRM) has evolved from the foundations of mass marketing and brand loyalty. The pinnacle of the industrial era brought with it mass production and a division of specialised corporate functions (Achrol, 1991; Sheth & Parvatiyar, 1995). This era was dominated by product innovation, and competitive advantage resulted from firms creating products that were better than those products of their competitors (Peppers & Rogers, 2004).

Firms focused on the amount of products that could be produced and since speed and efficiency were the top priorities, very little attention was given to customisation and overall customer satisfaction. The marketing departments used mass advertising for their products in order to increase awareness and build market share (Sheth & Parvatiyar, 1995). Because the firms were solely concentrated on persuading the customers to buy similar products, the marketing

departments were often completely separated from direct consumer contact; no attempts were made to truly understand the customers or their purchasing behaviours.

As competition among firms increased, however, firms looked to differentiate their products in highly commoditised market through branding (Peppers & Rogers, 2004). Branding refers to any feature or quality that can differentiate a product or service from that of a competitor (Brown, 2000). The ultimate goals of branding were to create brand awareness and brand loyalty among consumers through building relationships of trust, familiarity, and reliability (Peppers & Rogers, 2004) and to make customers feel comfortable with the brand (Bogart, 1996). According to Peppers and Rogers (2004), brand awareness and loyalty will ultimately transform into a branded relationship with ongoing dialogue where customer needs influence the products or services.

As a result of the focus on the consumer-brand relationship, brand loyalty can be seen as a forerunner to customer relationship management. The concept of mass marketing naturally led into the competitive transactional marketing that unfortunately, is still widely used by many organisations today. The primary short term focus of transactional marketing is to attract new customers for single transactions. There is a limited amount of contact between customers and firms, and the primary way that customer satisfaction is measured is through analysis of market share (Hennig-Thurau & Hansen, 2000).

Relationship marketing is on the opposite end of the spectrum and differs from transactional marketing in a number of fundamental concepts. Relationship marketing is based on long-term trust and satisfaction and is centred on customer retention and customisation (Parvatiyar & Sheth, 1995). Instead of influencing customers to buy the products, relationship marketing suggests making products to fit the customer. Interaction between firms and customers is critical in the success of managing the customer base.

Quite a number of factors have contributed to the emergence of customer relationship management including technology. Technology is at the heart of CRM development and is essential on multiple levels of the process. Some believe that technology can be credited with the wide acceptance of relationship marketing (Hennig-Thurau & Hansen, 2000). The customer database and software technology enable firms to track consumer purchase behaviour, product preference, and personal contact information (Formant, 2000). Technological advancements in database programs have allowed marketers to improve direct marketing tactics through individualisation (Parvatiyar & Sheth, 1995). Once customer patterns are recorded in the database, the software can cater for direct marketing efforts, such as emails or mailers with coupons and special offers, to each individual customer. This customer value can only be delivered by highly sophisticated databases that combine information from several external and internal sources regarding demographics, psychographics, and survey result and purchase patterns (Formant, 2000).

According to Wilson (2006), such customer-related data can be analysed in terms of: geographical spread of customers; frequency of customer visit; rates of customer retention; product trend and future sales forecasts; price sensitivity of customers; and the profitability of individual customers and individual products. Thus, data about customers enables organisations to know the composition of their customers which offers the opportunity to segment their market accordingly.

Over the past 30 years, market segmentation has developed and been defined in a number of ways. According to Wilson and Gilligan (2005), “market segmentation is the process of dividing a varied and differing group of buyers or potential buyers into smaller groups, in which broadly similar patterns of buyers’ needs exist” (p. 318). This means that with market segmentation, the marketing manager is attempting to break the entire market into more strategically manageable parts, which can be targeted. Rarely does a single product or marketing approach appeal to the needs of all customers. Thus, there is the need for organisations to categorise customers on the basis of their characteristics and their specific product needs, with a view then to adapting either the product or the marketing programme, or both, to satisfy these different tastes and demands (Wilson & Gilligan, 2005).

However, not all writers favour this whole idea of market segmentation. While many marketing managers acknowledge the rationale of market segmentation, many are dissatisfied with this concept due to the fact that it is inapplicable or somewhat difficult to apply in many markets (Anderson & Narus,

1995). Notwithstanding this, Kotler, Keller, Brady, Goodman, and Hansen (2009) argued that if strategy is the art of allocating scarce resources, then segmentation - and the understanding it provides about one's customer groups - is part of the science informing that allocation.

CRM objectives

Wilson et al (2002) argued that organisations are increasingly becoming cognisance of the importance of moving closer to their customers. The objectives of CRM, according to the authors, are to increase business opportunities by: improving the process to communicate with the right customers; providing the right offer for each customer; providing the right offer through the right channel for each customer; and providing the right offer at the right time for each customer. According to the authors, by doing so organisations can receive these benefits: ability to retain loyal and profitable customers to increase the organisation's profitability; increases individual customer margins, while offering the right product and service at the right time; acquiring the right customers based on knowledge or learned characteristics, which drive growth and increased margins. Greenberg (2001) also outlined these objectives for CRM implementation: increased revenue for the organisation; reduces cost of sales and administration cost.

Theoretical framework

The similarity between relationship marketing and customer relationship management often involves simply a semantic issue because the terms are

sometimes used interchangeably. A definition of CRM from the *Journal of Marketing*, based on a blend of the literature, suggests that CRM is a subcomponent of Relationship Marketing (RM) with the following additional caveats (Payne & Frow, 2005, p. 168): restricts the relationship target to “key customers and customer segments”; “unites the potential of relationship marketing and IT”; and focuses more on the tactical through an “integration of process, people, operations, and marketing capabilities that is enabled through information, technology, and applications.” Thus, CRM is the managerially relevant application of relationship marketing across an organisation focused on customers, which leverages IT to achieve performance objectives. It could be said that if relationship marketing (RM) is the science of relationship, then CRM represents its application.

Relationship marketing encompasses creating, maintaining and enhancing strong relationships with customers and other stakeholders. Progressively, marketing is moving away from a focus on individual transactions towards a focus on building value-driven relationship and marketing networks. Relationship marketing is geared towards the long term. The goal is to deliver long-term value to customers and the measure of success is long-term customer satisfaction and increased business performance. Relationship marketing requires that all of the company’s department work assiduously together with marketing department as a team to serve the customer well and even exceed their expectations. It involves building relationships at many levels – economic, social,

technical and legal – resulting in high customer satisfaction and loyalty (Kotler, Wong, Saunders & Armstrong, 2005).

Since researchers from many different disciplines have studied the impact of relationships on human behaviour, marketing has a rich theoretical landscape from which to draw to understand relationship marketing. Many of these different disciplines take central positions in the development of Relationship Marketing (RM) theory. When Alderson (1958, pp.27,28) extended the institutional economics view that exchanges are driven by value maximisation and market efficiency, the author argued that because people are involved, marketing thought must include the sociological factors of “power structure” and “two-way exchange of commitments,” as well as the social psychological factors of “communication” and “emotional reactions.” The following are review of some theories of relationship marketing that would help answer the objectives and the hypothesised variables.

Social exchange theory

The main concept in social exchange theory is that parties enter into and also maintain exchange relationships with others with the supposition that doing so will be rewarding (Gouldner, 1960; Homans, 1958). The theory is restricted to examining actions that are contingent on rewarding reactions from others (Blau, 1964), and examines two-sided, mutually contingent, and mutually rewarding processes called “transactions” and relationships called “exchanges” (Emerson, 1976). According to the theory, self-interested parties transact or exchange with

other self-interested parties in order to accomplish outcomes that neither could be achieved on their own, and that these exchanges would cease as soon as they are not perceived to be mutually rewarding by both parties (Blau, 1964). Homans (1961) asserts that the exchange of benefits, or giving something to a recipient that is more valuable to the recipient than it is to the giver, is the underlying basis for human behaviour.

According to the social exchange theory, each party has something of value that the other wants. These parties decide what to exchange and in what quantities. The resources exchanged can be economic or social or both. Economic resources, according to Miles (2012), include tangible items, such as goods, money, assets, information, advice, or services. Social resources include intangible items, such as social amenities, friendship, and prestige. The value of outcomes received during a social exchange is in the eye of the beholder. However, according to Blau (1964), the most rewarding outcomes in social exchange relationships (example, social approval and respect) do not have any material value for which a price could be determined.

Social exchange relationships involve uncertainty over whether parties will reciprocate contributions or not. As a result, trust between parties is an important part of social exchange theory (Miles, 2012). The author argued further that demonstrating trust to the other party may be difficult during the initial stage of exchange. Typically, social exchanges evolve slowly, with lower-value exchanges occurring initially, then large-value exchanges occurring when higher levels of trust develop. Trust can be generated in two ways: through regular and

consistent reciprocation with the other party for benefits received from them; and through the gradual expansion of exchanges with the other party (Blau, 1964).

The major principles of social exchange theory were derived with a goal of creating a mutually exclusive and exhaustive set of four almost law like generalisations: exchange relationship result in economic or social outcomes (or both); a cost-benefit analysis is performed on the outcomes received and compared with the potential costs and benefits of alternative exchange relationships; the receipt of rewarding outcomes over time increases mutual trust and commitment in exchange relationships; and exchange norms and expectancies develop over time from rewarding exchange relationships (Rudner, 1966).

At the heart of social exchange theory are the concepts of equity and reciprocity. Homans (1961) originally introduced the notion that individuals are most comfortable when they perceive they are receiving benefits from a relationship approximately equal to what they are putting into the relationship (Molm, 2003). Though reciprocity, or repaying obligations to another, is one of the best-known exchange rules in social exchange theory, there has been ambiguity in how this concept has been defined (Gouldner, 1960).

Although social exchange theory is among the most influential theories for understanding original behaviour (Cropanzano & Mitchell, 2005), the theory has not gone without criticism. Some critics have argued that, given the assumptions of the theory, all human interactions would have to be considered as social exchanges. Some researchers have treated social exchanges as a special

case of human social interaction, and others have simply ignored distinctions between the two (Molm, 2003).

Coyle-Shapiro and Conway (2004) explored theoretical ambiguities, and Cropanzano, Rupp, Mohler, and Schminke (2001) expressed concern over frequent misunderstandings of the social exchange theory model. These critics have argued that the theory oversimplifies human interactions by reducing them to only short-term, self-interested exchanges. Critics lament that humans are motivated to behave for any number of reasons and often maintain relationships that are not mutually beneficial when many other, more rewarding relationships are possible.

The relevance of social exchange theory to the current study is that the theory helps to understand the reason for parties forming a relationship. The main reason, according to the social exchange theory, is to accomplish outcomes that neither could be achieved on their own. These exchanges according to the theory would cease as soon as they are perceived not to be mutually rewarding by both parties. Whereas firms produce goods and services to meet and even exceed customer expectations, customers, on the other hand, pay for these goods and services in order to keep them in business. If firms fail to provide goods and services that satisfy customers, they will cease to be party to that relationship and vice_ versa. This theory also underpins the variables, perceived quality and perceived value.

The commitment-trust theory of relationship marketing

Drawing on the political economy paradigm, Thoreli (1986, p.38) asserts “Power is the central concept in the network analysis” because its “mere existence” can “condition others”. However, Morgan and Hunt (1994) argued that what should be central to understand relationship marketing (Customer Relationship Management) is whatever distinguishes productive, effective, relational exchanges from those that are unproductive and ineffective- that is, whatever produces relationship marketing successes instead of failures.

Morgan and Hunt (1994) theorise that the presence of relationship commitment and trust is central to successful relationship marketing, not power and its ability to “condition others” (Harris, O’Malley, & Patterson, 2003). Commitment and trust, according to the authors, are ‘key’ because they encourage marketers to work at preserving relationship investments by cooperating with exchange partners; resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners; and view potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically. Blois (2003) pointed out that commitment and trust are the distinguishing characteristics of relationships. Sheth (2000) indicated that commitment and trust emerged as building blocks of a theory. Veloutsou, Saren, Tzokas, (2002) argued that the commitment-trust theory provides the foundations of marketing relationship that can lead to customer retention. Hence, when both commitment and trust are present, they produce outcomes that promote efficiency, productivity, and effectiveness. In short, commitment and trust lead directly to

cooperative behaviours that are conducive to relationship marketing success. Thus, within the theory we have relationship commitment and trust.

Morgan and Hunt (1994, p.23) define relationship commitment as “an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it, that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely”. Cook and Emerson (1978) propose that commitment (relationship commitment) is central to relationship marketing. Berry and Parasuraman (1991, p. 139) maintain that “relationships are built on the foundation of mutual commitment”. Similarly, the process through which consumers become loyal to specific brand has been attributed to commitment. In fact, Assael (1987, p.655) defines brand loyalty as “commitment to a certain brand” arising from certain positive attitudes.

Morgan and Hunt (1994, p.23) conceptualise trust “as existing when one party has confidence in an exchange partner’s reliability and integrity” (Nicholson, Compeau, Sethi, 2001). Literature on trust suggests that confidence on the part of the trusting party results from the firm belief that the trustworthy party is reliable and has high integrity, which are associated with qualities such as consistent, competent, honest, fair, responsible, helpful, and benevolent (Handfield & Bechtel, 2002; Dwyer & LaGace, 1986). Berry and Parasuraman (1991, p.144) find that “customer-company relationships require trust”. In fact, the authors contended that effective services marketing depend on the management of trust because the customer typically must buy a service before

experiencing it. In retailing, Berry (1993, p. 1) stresses that “trust is the basis for loyalty”. Trust is also viewed as central in the studies conducted by the Industrial Marketing and Purchasing Group (Ford, 1990). As a result, Morgan and Hunt theorised that trust is central to all relational exchanges.

In conclusion, Morgan and Hunt (1994) posit that commitment and trust is central to successful relationship marketing not power and its ability to condition others. This discussion of trust and commitment suggests that some relationships can be thought to be of better quality than others (Buttle, 2012). Research into relationship quality generally cites commitment and trust as core attributes of high quality relationship. Given that CRM implementations are often designed to build closer, more value-laden relationships with customers, it makes sense for managers to be aware of the quality of the relationships they have with customers (Buttle & Biggemann, 2003). The relevance of Morgan and Hunt’s theory of commitment and trust to the current study is that, the theory underpins the variable relationship quality. Thus, when commitment and trust are present in a relationship, they produce outcomes that promote efficiency, productivity, and effectiveness. In short, commitment and trust lead directly to cooperative behaviours that are conducive to relationship marketing success which is the satisfaction of customers. When commitment and trust are present in a relationship, relationship quality (a subcomponent of CRM) will be achieved which might in turn get the customer satisfied.

Expectancy (Dis) confirmation theory

Expectancy disconfirmation/ confirmation theory consists of two components: the formation of expectations, and the disconfirmation of those expectations through performance comparisons (Spreng & Page, 2003; Oliver & DeSarbo, 1988). According to Churchill and Surprenant (1982), expectations reflect anticipated performance. Oliver (1997) defined expectation as anticipation of future consequences based on prior experience, current circumstances, or other sources of information. Zeithaml, Berry, and Parasuraman (1993) developed a conceptual model of customer service expectations. They found that there are three different levels of customer expectations: desired service, adequate service, and predictive service. However, researchers argued that respondents were often confused when they attempted to distinguish among these three levels of expectation. Notwithstanding that, literature on customer satisfaction suggests that customers' expectations have an impact on satisfaction levels (Bhattacharjee & Perols, 2008).

As presented by Oliver (1980), customers form expectations of anticipated performance prior to purchase (Buttle, 2012). These expectations serve as the baseline for assessing satisfaction (Oliver, 1993). Interestingly, customers are thought to adapt satisfaction levels to expectation levels in order to avoid the cognitive dissonance that would happen when expectations deviate from satisfaction levels (Staples & Wong, 2002). Disconfirmation describes the dissonance between an individual's original expectations and observed performance (Bhattacharjee & Premkumar, 2004). Three types of disconfirmation

exist. First, when there are discrepancies between actual performance and individual's expectations, then what is called negative disconfirmation arises. This cognition results in dissatisfaction. Also, when actual performance exceeds expectations, then positive disconfirmation occurs. Simple confirmation exists when actual performance equals expectations (Santos & Boote, 2003). The majority of the empirical findings supported a positive relationship between expectations and satisfaction (Venkatesh & Goyal, 2010; Bearden & Teel, 1983; Swan & Trawick, 1981). However, a study by Wu and Ding (2007) showed that customer expectation has no direct positive effect on satisfaction. During the 1980s, satisfaction literatures focused on the disconfirmation paradigm (Prakash & Lounsbury, 1984).

A study by Churchill and Surprenant (1982) linked related concepts and formed a disconfirmation paradigm, encompassing four constructs: expectations, performance, disconfirmation, and satisfaction. According to the authors, disconfirmation resulted from the incongruity between expectations and performance, and eventually influenced satisfaction. The performance-expectation comparison was labelled negative disconfirmation if the product or service was worse than expected, positive disconfirmation if better than expected, and zero or simple disconfirmation if as expected (Oliver & DeSarbo, 1988). A study by Szymanski and Henard (2001) also supported the idea that disconfirmation is emerging as a dominant predictor of satisfaction effect.

The expectancy (dis) confirmation theory underpins the variable customer expectation. That is, customers do form expectations and (dis) confirm those

expectations through performance comparisons which would then help determine its effect on customer satisfaction.

Relationship quality (CRM)

In the field of Relationship Marketing, the Relationship Quality (CRM) has become an important and popular topic. Roberts, Varki and Brodie (2003) stressed that relationship quality is a better predictor of behavioural intentions than service quality. There are four dimensions that indicate the quality of a relationship: trust, satisfaction, commitment, and affective conflict (Roberts et. al, 2003). The trust dimension is divided into credibility and benevolence trust, where the former is based on customers' belief in the firm's sincerity; the latter reflects whether the company is concerned with the welfare of their customers. Satisfaction is a customer's cognitive and affective evaluation, grounded in their personal service experiences with the firm. Commitment reflects the process of problem resolution, and the affective conflict dimension is a negative indicator of relationship quality. The relationship quality, thus, demonstrates that managers must not only focus on the quality of the service they provide, but also on the quality of their customer relations.

Satisfying the customer demands a great time investment. There are three steps that managers must take into consideration to establish loyal, quality relationships with their customers: they must clearly define their target customers, measure customer satisfaction in a variety of methods, and understand the full meaning of the customer's satisfaction in a qualitative relationship (Jones &

Sasser, 1995). According to the authors, when a customer is completely satisfied, he or she tends to remain loyal to the relationship – thus, relationship quality is achieved. When the customer is just satisfied, the company can easily lose the customer, meaning the loyalty varies.

Finally, if a customer is dissatisfied, they may stop being loyal and put an end to the relationship. Studies show that to maintain customers as completely satisfied the company must provide world – class services (Berry, 1995; Zeithaml, Berry & Parasuraman, 1985). Thus, customer – management interaction must be high, with management not only taking customer demands into consideration, but also determining how customers perceive the service they are being provided. When it comes to relationship quality, it is crucial to consider that the gap between completely satisfied customers and unsatisfied customers can swallow a business (Jones & Sasser, 1995).

Given that CRM implementation is often designed to build closer, more value laden relationships with customers, it makes sense for managers to be aware of the quality of the relationships they have with customers (Buttle, 2012). Although much research has been conducted on this area, other researchers have suggested that value, rather than relationship quality (CRM), is the main factor in customer behaviour and loyalty (Roberts et al, 2003).

Customer perceived value

An important justification for CRM is that it improves business performance by enhancing customer satisfaction and driving up customer loyalty.

According to Schieffer (2005), creating loyal customers is at the heart of every business. Peppers and Rogers (2005) echoed this and said: the only value a company will ever create is the value that comes from customers – the ones you have now and the ones you will have in the future. The authors further argued that businesses succeed by getting, keeping, and growing customers. Customers are the only reason you build factories, hire employees, or engage in any business activity. Without customers, you do not have a business (pp. 25-26).

Customer perceived value is the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives. Total customer value is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering. Total customer cost is the bundle of costs customers expect to incur in evaluation, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychic costs (Kotler et al, 2009).

According to Kotler et al (2009), customer perceived value is, thus, based on the difference between what the customer gets and what he gives for different possible choices. The customer gets benefits and assumes costs. The marketer can increase benefits and assumes costs. The marketer can increase the value of the customer offering by some combination of raising functional or emotional benefits and/or reducing one or more of the various types of costs.

An early pioneer in the study of equity, George Homans stated that the essence of equity was contained in a “rule of justice” (as cited in Oliver, 1997).

In fundamental terms, equity is an evaluation of fairness, rightness, or deservingness that customers make in reference to what others receives (Oliver 1997; Wu & Ding, 2007). In the satisfaction literature, equity theory considers the ratio of the customer's perceived outcome/input to that of the service provider's outcome/input (Oliver & DeSarbo, 1988). Bolton and Lemon (1999) extended this concept to the perspective of perceived value. They declared that equity referred to customers' evaluation of the perceived sacrifice (input) of the offering (outcome). Therefore, the value customers perceive they are receiving can have an impact on their satisfaction level (Yang, 2001).

According to Monocha, Dawson, Blandford, and Millard (2005), a positive customer perceived value may bring customers back to make another transaction. Thus, when customers perceive they are been treated fairly in an exchange, they will be satisfied and come back to make their next purchase. Fredrick and Salter (1998) pointed out that quality, price and brand or company image are three factors comprised in the customer value package. Put in another way, customers will make an explicit comparison between what they give and what they get and will determine whether they will be satisfied with the offering or not .

Researchers favouring the value concept claimed that it is more flexible and adaptable in explaining consumer behaviour, as quality is an absolute measure, value is relative. Research has shown perception of value delivery can vary between managers and customers (Gallarza, Gil-Saura & Holbrook, 2011). Hill and Jones (1998) stated that value creation occurs when a firm is able to

advance and come up with something that is unique for its customers, something that fulfils and satisfied the customer's needs. According to Reichheld (1996), the reason why many organisations and firms fail and start losing customers is because they lose focus of this. Instead of focusing on value creation, they examine different measurements and analyses and become purely profit driven, resulting in the adoption of short-term solutions when customers begin defecting. Yet, defected customers possess the most valuable information, as they have often had long relationships with the company.

A firm seeking to gain a competitive advantage must offer a greater value than their competitors among these aspects. To do so, they must determine which aspects are positive drivers in customer-value creation. Barriers, however, do exist that hinder such exploration (Lin & Lin, 2006). Errget and Ulaga (2002) explain that value creation can be compared to competition; if a firm can deliver a better trade-off, where their products and services offer more benefits than their competitors', they offer a greater value and establish a sustainable competitive advantage. Furthermore, if a company aims for long-term profitability and progress, they must focus on the creation of real value.

Perceived (product/service) quality

Literature regarding service quality has demonstrated a correlation between behavioural intention and service quality, where the perceived service quality influences the behavioural intentions and can signal whether or not a customer will defect (Zeithaml, Berry & Parasuraman, 1985). Cronin and Taylor

(1992) examined the relationships among service quality, customer satisfaction, and purchase intention. Each variable was measured by one item. There were 660 usable questionnaires randomly collected from customers of four types of businesses in the south-eastern United States: banking, pest control, dry cleaning and fast food. The results of correlation analysis have suggested that (1) service quality was an antecedent of customer satisfaction, (2) service quality had less effect on purchase intentions than did customer satisfaction, and (3) customer satisfaction had a significant effect on purchase intentions.

Anderson and Sullivan (1993) also posit that, based on empirical findings in service quality and satisfaction literature, service quality is one of the antecedents of satisfaction (Reidenbach & Sandifer-Smallwood, 1990; Mackoy & Spreng, 1996; Daly, Frey, & Woodside, 1989), and loyalty is one of the consequences of satisfaction (Coner & Gungor, 2002; Cronin & Taylor, 1992, 1994; Dabholkar, Shepherd, & Thorpe, 2000). Service quality literature indicated that perceptions of high service quality and high service satisfaction resulted in a very high level of purchase intentions (Boulding, Kalra, Stealin, & Zeithaml, 1993; Cronin & Taylor, 1992; Taylor, 1997; Taylor & Baker, 1994). Coner and Gungor (2002) stated that customer loyalty was affected by product quality, service quality, and retailer image. They also suggested that quality of product and service is directly related to customer satisfaction and lead to the loyalty of the customer (Coner and Gungor, 2002). Kotler et al (2009) also supported the idea that higher levels of quality result in higher levels of customer satisfaction.

Customer (dis) satisfaction

Customer satisfaction has been the subject of considerable research, and has been defined and measured in many ways (Oliver, 1997). Buttle (2012) defined customer satisfaction as the customer's fulfilment response to a customer experience, or some part thereof. According to the author, customer satisfaction is a pleasurable fulfilment response. Dissatisfaction is an unpleasurable fulfilment response.

The experience, or some part thereof, component of the definition suggests that the satisfaction evaluation can be directed at any or all elements of the customer's experience, which include product, service, process and any other components of the customer experience. Thus, if customers perceive that their expectations have been met, they are satisfied. If their expectations are underperformed, they are dissatisfied. Indeed, customers do have expectations, and they are able to judge performance. However, sometimes customers' expectations may be met, but the customer is still not satisfied and it normally happens when the customer's expectations are too low.

Achieving customer satisfaction has long been identified as the heart of the marketing concept. Consistent with this, there is strong evidence of positive effects of customer satisfaction on repeat purchase, retention, loyalty, and even profitability (Finn, 2005). According to Anderson (1994), as satisfaction rises, so does customer intention to repurchase. This, in turn, influences actual purchasing behaviour, which has an impact on business performance.

Customer satisfaction depends on the product or service quality or performance relative to a customer's expectations. A customer might experience various levels of satisfaction. If the product's or service's performance or quality falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted (Kotler et. al., 2005).

Mihelis, Grogoudis, Siskos, Politiis and Malandrakis (2001) argued that customer satisfaction is a dynamic parameter of the business organisation and is affected by the changes in customer's preferences and expectations. Similarly, Anderson and Sullivan (1993) suggested that customer satisfaction is the overall or global judgment regarding the extent to which product or service performance / quality matches expectations. Giese and Cote (2000) identified three common elements in different customer satisfaction definitions. Customer satisfaction is a response (emotional or cognitive); the response pertains to a particular focus (expectations, product, consumption experience, etc.); and the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc.).

Customer loyalty

Customer loyalty is a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour (Oliver, 1997). Jones and Sasser (1995) argue that there are two types

of loyalty: true long term loyalty and false loyalty in which customers seem to be loyal until certain benefits are exhausted.

Buttle (2012) asserts that there are at least two main approaches to defining and measuring loyalty: behavioural and attitudinal. Behavioural loyalty is measured by reference to customer purchasing behaviour; its continued patronage and buying. Attitudinal loyalty is also measured by reference to components such as beliefs, feelings and purchasing intention. Loyalty is about earning people's enthusiastic commitment to a relationship that will improve their lives over the long term. Loyalty is about the future, and not the past. Customer loyalty is frequently exercised as a conscious evaluation of the price/quality ratio or the willingness to pay a premium price or, alternatively, price indifference (Zeithaml, Berry, & Parasuraman, 1996).

Many businesses fail because most often much of their measurement, analysis, and learning spin around profit and too little around value creation. It is only when profit begins to fall that their managers become aware of problems, and in struggling to fix short-term profits, they focus on a symptom and miss the primary breakdown in the value-creation system. Customer issues are seen as secondary to profits and managers delegate them to the marketing department (Reichheld, 1996). There are many positive effects of customer loyalty such as revenue growth due to repurchases as well as referrals, cost decline due to lower acquisition costs and lower costs in serving experienced customers, and increase in employee retention due to job satisfaction and pride (Reichheld, 2001).

Loyalty is a consequence of customer satisfaction; satisfaction is primarily influenced by the value of services provided to customers; value is created by satisfied, loyal and productive employees; employee satisfaction, loyalty and productivity, in turn, result largely from high-quality support services and structures that enable employees to deliver successful results to customers. It is, however, also suggested that satisfaction may signal the beginning of loyalty, but cannot guarantee it, especially in the short run (Gungor, 2007).

Reasons for firms forming relationships with customers

The central reason for firms wanting to build relationships with customers is economic. There is no denying of the fact that, firms generate better results when they manage their customer base in order to identify, acquire, satisfy and retain profitable customers. These are key objectives of many CRM strategies (Buttle, 2012). Managing customer retention and tenure intelligently offers two key benefits for firms; reduced marketing costs and better customer insight. Thus, the firm's ability to improve customer retention reduces its marketing costs. This is because fewer amounts of money need to be spent replacing defected customers. For instance, it is estimated that it costs an advertising agency not less than 20 times as much to recruit a new client than it does to retain an existing customer (Buttle, 2012)

Firms can build up knowledge repositories about their customers, which assist in a better understanding of their customer needs and wants and their changing values and interests. This can assist in a wide range of marketing

activities, including the development of new products and services, more appropriate promotion, and more effective distribution strategies (Danaher, Conroy, McColl-Kennedy, 2008). Firms expect to achieve a 10 percent increase in revenue resulting from their relationship-building efforts, such as CRM programmes, so organisations spend millions of dollars annually on CRM schemes in the belief they will obtain benefits in the long term (Mitchell, 2002).

Also, in long-term relationships, the size and complexity of the transactions between the customer and the firm are likely to increase, resulting in greater returns for the firm. Again, a customer who is familiar with a firm's processes and systems is likely to have more realistic expectations of what the firm can achieve for the customer, and such customers have a better understanding of what information they need to provide the firm (Bell, Auh, & Smalley, 2005). Moreover, customer capital is built up over time, as some customers are more valuable to the firm than others, and therefore, firms seek to retain these customers because of their lifetime value (Rust, Lemon, & Narayandas, 2005). Furthermore, if the relationship is a highly valued one by customers, they are less likely to defect and more likely to spread positive word of mouth advertisement for the firm (Priluck, 2003). It is therefore worthwhile for firms to maintain a relationship that is highly valued by customers.

Reasons for customers forming relationships with firms

While the reasons for firms wishing to form relationships with their customers are very convincing, it is sometimes less clear why customers may

want to reciprocate in relationship development (Danaher et al, 2008). Gwinner, Gremler and Bitner (1998) mention the benefits customers may receive from a relationship: confidence benefits, which is knowing what to expect from the service provider thereby reducing anxiety; social benefits, such as being personally recognised by employees of the firm and perhaps developing friendships between customers and employees (customers may feel more valued when recognised and addressed by name); and special treatment benefits, which include customers receiving price discounts and faster or customised additional service.

Customer satisfaction index (CSI)

Customer satisfaction concept as a measure of perceived service quality was introduced in marketing research. In the marketing field, many customer satisfaction techniques have been developed. The best known and most widely applied technique is the ServQual model, proposed by Parasuraman, Ziethalm, and Berry (1985). The ServQual model introduced the concept of customer satisfaction as a function of customer expectations (what customers expect from the service) and perceptions (what customers receive). The method was developed to assess customer perceptions of service quality in retail and service organisations. In the method, five (5) service quality dimensions and 22 items for measuring service quality are defined. Service quality dimensions are tangibles, reliability, responsiveness, assurance, and empathy.

The ServQual model is in the form of a questionnaire that uses a Likert scale type on seven levels of agreement/disagreement (from “strongly disagree” to “strongly agree”). ServQual provides an index calculated through the difference between perception and expectation rates expressed for the items, weighted as a function of the five service quality dimensions embedding the items. Some variations of this method were introduced in subsequent years. For instance, Cronin and Taylor (1994) introduced the ServPerf method, and Teas (1993) proposed a model named Normal Quality (NQ). Although ServQual represents the most widely adopted method for measuring service quality, the adopted scale of measurement for capturing customer judgments has some disadvantages in obtaining an overall numerical measure of service quality; in fact, to calculate an index, the analyst is forced to assign a numerical code to each level of judgment. In this way, equidistant numbers are assigned to each qualitative point of the scale; this operation presumes that the distances between two consecutive levels of judgment expressed by the customers have the same size and as a result of that it will not be employed in this study.

Quite a number of both national and international indexes also based on customer perceptions and expectations have been introduced in the last decade. For the most part, these satisfaction indexes are embedded within a system of satisfaction models or cause-and-effect relationships. The models also contain latent or unobservable variables and provide a reliable satisfaction index (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001). The Swedish Customer Satisfaction Barometer (SCSB) was established in 1989 and is the first national

customer satisfaction index for domestically purchased and consumed products and services (Fornell, 1992). The American Customer Satisfaction Index (ACSI) was introduced in the fall of 1994 (Fornell, Johnson, Anderson, Cha, & Everitt-Bryant, 1996). The Norwegian Customer Satisfaction Barometer (NCSB) was introduced in 1996 (Andreassen & Lervik 1999; Andreassen & Lindestad 1998). The most recent development among these indexes is the European Customer Satisfaction Index (ECSI) (Eklof, 2000).

The original SCSB model is based on customer perceptions and expectations regarding products or services. All the other models are based on the same concepts, but they differ from the original regarding the variables considered and the cause-and-effect relationships introduced. The models from which these indexes are derived have a very complex structure. In addition, model coefficient estimation needs of large quantities of experimental data and the calibration procedure are not easily workable.

Among all these international indexes discussed, the present study adopted the ACSI model to examine the relationships between customer expectations, relationship quality, product/service quality, perceived value, customer loyalty, customer complaint, and customer satisfaction. The American Customer Satisfaction Index has a uniform, customer-based definition of quality which is customer satisfaction with the quality of goods and services purchased and used. Also, ACSI treats satisfaction with quality as a cumulative experience, rather than a most-recent-transaction experience. Again, ACSI uses a cause-and-effect that measures satisfaction quantitatively as the result of survey-measured

input of customer expectations, perceptions of quality, and perceptions of value (that is, quality for cost).

The American Customer Satisfaction Index (ACSI) provides a perspective for understanding the company's competitiveness. The perspective is that of the customer's experience with the quality received from goods and services available at the company. Much attention has been focused on productivity as the key to competitiveness for companies and nations. Ideally, productivity should reflect not only efficiency in production, but also how quality and service are incorporated into market prices. In practice, however, productivity measures often fall short, particularly in the service sector where the value of improved or reduced quality is not easily captured.

As an economic indicator, ACSI suggests a context within which to interpret both price and productivity changes. An objective of ACSI is to help with this interpretation by capturing the elusive character of a product (attributes, price, market fit) from the user perspective. American Customer Satisfaction Index measures the overall satisfaction of buyers' consumer markets. American Customer Satisfaction Index makes use of the 10-point scale format other than the five and seven Likert type scale in which the scores are often 'negatively skewed' (Dawes, 2002; Peterson & Wilson, 1992). In relation to the distribution of data about the mean, more scale points, by definition, provide more options for the respondent. Therefore, finer scales (10-point scale format) could result in a greater spread of the data. Figure 1 represents the American Customer Satisfaction Index model..

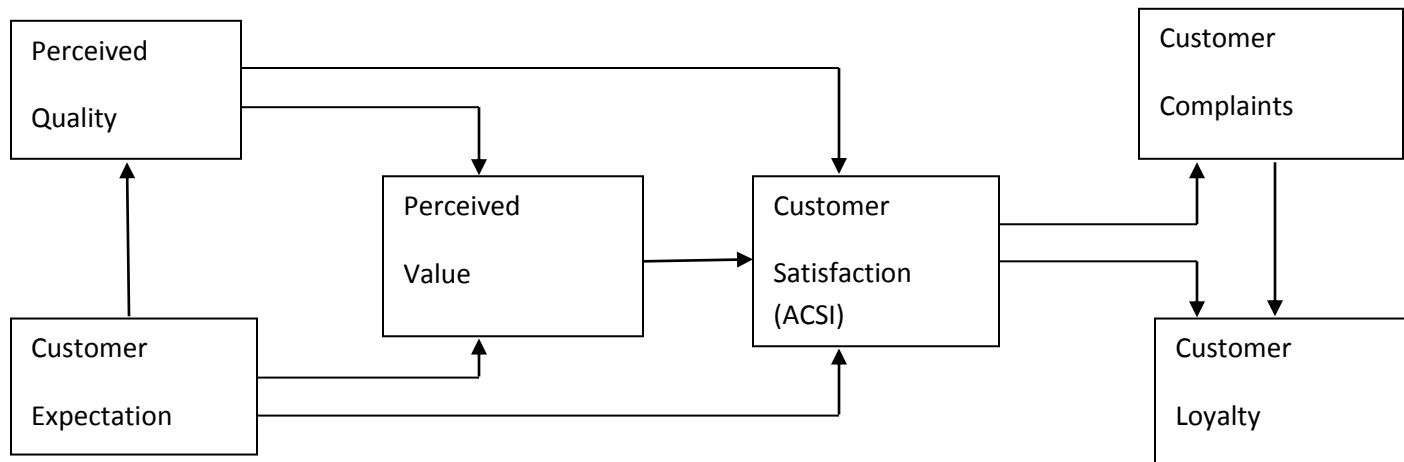


Figure 1. American Customer Satisfaction Index

Source: ACSI Model (2008)

Empirical review

The following previous studies in various countries were reviewed to give a profile of studies related to CRM, and demonstrate the value and originality of the present study. In 2005, Johansson and Sparredal of Lulea University of Technology in Sweden conducted a study on CRM in e-Business. The main objective for their study was to gain a better understanding of CRM in e-Business. Their research was focused on CRM objectives, how organisations can manage their customer relationships and the evaluation of CRM effectiveness in these organisations. Their study revealed that effective CRM in e-Business enabled such organisations to enjoy these benefits: cost savings, revenue enhancement, customer satisfaction and loyalty. Also, the study revealed, that for an organisation to manage its customer relationships effectively, it must have better insight or understanding of their customers. However, the study did not show how CRM can predict customer satisfaction.

Moreover, the underlying principle for CRM is that when it is managed well it improves business performance by enhancing customer satisfaction and increasing customer loyalty. For that matter, a study conducted by Stephen M. Ross School of Business at the University of Michigan on customer satisfaction, using the American Customer Satisfaction Index (ACSI), was reviewed (ACSI, 2008). The studies suggested a statistically strong and positive relationship between customer satisfaction and accounting return-on-assets, and also a positive and significant relationship between customer satisfaction and the long-term adjusted financial performance of companies. This indicates that when a

company's customers are satisfied, it has a positive impact on business performance. Thus, it increases customer retention (customer tenure), customer loyalty and also since loyal customers are not that price sensitive, return on investment is increased as well.

Also, a lot of literature has proved that when customers are dissatisfied with products and services provided by an organization and their relationship with them, customers are bound to defect to competitors. As a result of that, a case study by Wolnik and Svraka (2012) which was Investigating Customer Defection at Swedish American Chamber of Commerce (SACC) was also reviewed. Their study revealed that when customers are not satisfied with a company's offerings they terminate every association they have with that company, and will then switch to a competitor that may meet their expectations.

Thus, customers have their own expectations when they enter into relationships with a particular company and, as a result, if their expectations are not met they defect. However, when customers found that their expectations have been met they become loyal customers to that company. Their study further revealed that most customers do defect when they found that the firm is focused on generating income for themselves, thereby neglecting the relationship management aspect of it.

Again, a study by Agbaje (2014) on CRM and customer loyalty in the Nigerian telecommunication industry was reviewed. The findings show that customer retention and competitive advantages are major benefits that are accruable to the industry. These are achieved through better understanding and

addressing the customer needs and issues. Further findings from the sampled firms showed that CRM is a business strategy employed by firms to understand the customer, retain customers through better customer experience, attract new customers, and increase profitability through a decrease in customer management cost. The study also revealed that CRM principles significantly enhance customer loyalty through delivery of efficient services in the telecommunication industry in Nigeria.

Furthermore, a study by Yirenkyi (2012) was reviewed. The study examined the extent to which mobile telecommunications subscribers in Ghana are satisfied with the services delivered by MTN Ghana, and the determining factors accounting for the level of satisfaction among mobile telecommunication subscribers in Ghana. The descriptive statistics result of the overall satisfaction with MTN Ghana appeared to be very low, according to the study. Perceived service quality was found to be very weak at MTN Ghana among respondents. The study also revealed that service quality and price fairness are positively and significantly related to customer satisfaction.

Last but not least, a study by Nimako, Azumah, and Donkor (2010) has been reviewed in this current study. The main objective of the study was to assess and analyse overall customer satisfaction with service delivery in MTN within Ghana. Their study revealed that customer satisfaction is low at MTN Ghana among respondents, and customers were not satisfied with the service quality delivered by MTN Ghana.

Gaps and lessons learnt

The empirical review showed that most of the previous studies on CRM only centred on the benefits derived from the implementation of CRM systems (Johansson & Sparredal, 2005; Agbaje, 2014). Others focused on customer satisfaction using customer satisfaction as the dependent variable with customer expectation, perceived value, and perceived quality as the independent variables. These studies had customer complaints and customer loyalty as customer satisfaction outcomes (ACSI, 2008). Thus, when a customer is satisfied that customer becomes a loyal customer would not wait for a price decrease before they would come back to make a purchase. Conversely, the study by Wolnik and Svraka (2012) emphasized that dissatisfied customers will defect.

The present study dealt with CRM and how it can influence customer satisfaction, without overlooking other determining factors of satisfaction.

Conceptual framework

According to Miles and Huberman (1994), conceptual framework explains either graphically or in narrative form the main things to be studied. From the concepts, theories, models and the empirical review, the emerged frame of reference is presented. Figure 2 represents the conceptual framework for the study.

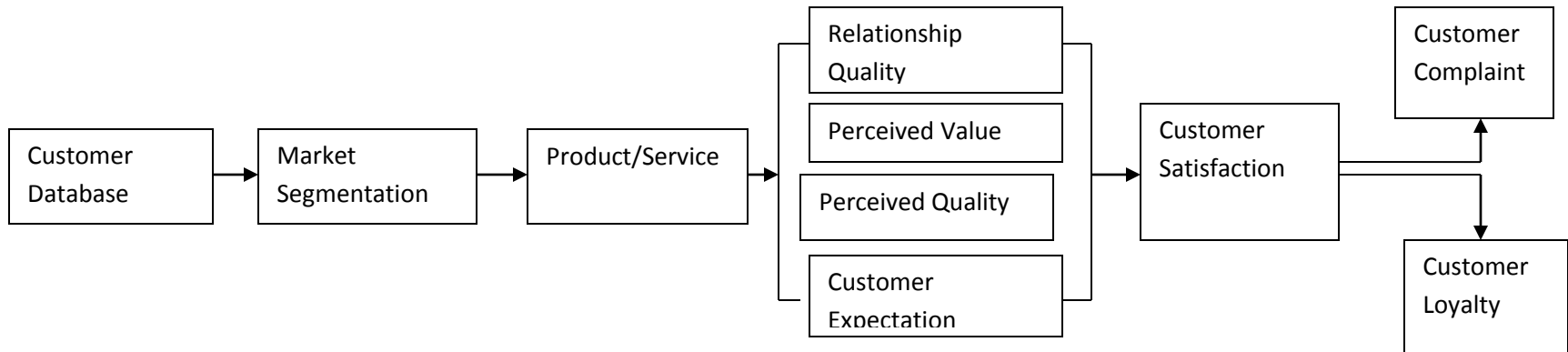


Figure 2. Customer Relationship Management and Customer Satisfaction Model

Source: Author's Construct, 2014

The figure represents the conceptual framework adapted from the American Customer Satisfaction Index model, which shows the link between customer satisfaction, customer expectation, perceived product/service quality, perceived value, customer complaint, and customer loyalty. The researcher modified the original model by adding customer database, market segmentation, and products/services, and then introduced relationship quality (a subcomponent of CRM) as another predictor of customer satisfaction. Implementation of CRM is a multi-step process that involves some basic components. The first key component is the creation of customer database which contains all relevant information, including descriptive information (such as psychographics and demographics), transaction history, and customer contact information (Winer 2001), as depicted by the framework. The customer database can serve as a competitive advantage if it is maintained correctly, since it is the beginning step in customer relationship management (Espinoza & Rust, 2006). Since technology has enabled firms to collect and store a large amount of information to build customer database, the next step in the CRM process is the analysis of this information. Based on the knowledge acquired from the customer database, the company can then segment the market and provide each segment with products/services that meet the respective needs of customers in order to satisfy them. This innovative “one to one” marketing concept encourages firms to address individual customer needs and to analyse lifetime customer value (Winer, 2001). This customer database enables an organisation to maintain quality relationships with customers.

Customer satisfaction has four antecedents (drivers or causes of satisfaction), according to the model: perceived quality, perceived value, relationship quality, and customer expectations. Fornell (1992) argued that perceived quality must have a direct, positive effect on satisfaction. According to the author, satisfaction is primarily a function of a customer's quality experience with a product or service. Quality experts, such as Juran and Gryna, outlined two principal components of this quality experience: the degree to which a product or service provides key customer requirements (customisation), and how reliably these requirements are delivered (reliability) (Juran & Gryna, 1988). Thus, the greater the perceived quality of a product or service of an organisation, the greater the level of customer satisfaction.

The second driver of customer satisfaction, according to the framework, is perceived value, or the perceived level of product or service quality relative to the price paid. Adding perceived value incorporates price information into the model and increases the comparability of results across companies, industries, and sectors. Quality per dollar (cedi), or value, is a common denominator that consumers use to compare brands and categories alike (Johnson, 1984). As with perceived quality, the basic prediction is that as value increases, customer satisfaction improves.

Furthermore, Roberts, Varki and Brodie (2003) stressed that relationship quality (RQ) is a better predictor of customer satisfaction of customer satisfaction and, as a result, it must have a direct, positive effect on satisfaction. There are four dimensions that indicate the quality of relationship: trust, satisfaction,

commitment, and affective conflict (Roberts et.al, 2003). The trust dimension is divided into credibility and benevolence trust, where the former is based on customers' belief in the firm's sincerity, and the latter reflects whether the company is concerned with the welfare of their customers. Satisfaction is a customer's cognitive and affective evaluation, grounded in their personal service experiences with the firm. Commitment reflects the process of problem resolution, and the affective conflict dimension is a negative indicator of relationship quality. The Relationship Quality thus demonstrates that managers must not only focus on the quality of the service they provide, but also on the quality of their customer relations. Finally, if a customer is dissatisfied, they may stop being loyal and end the relationship – thus the relationship quality is weak.

The last, but not least, cause of customer satisfaction is the level of quality that customers expect to receive (customer expectation). These should positively affect customer satisfaction because they serve as an anchor in the evaluation process (Van Raaij, 1989). Expectations capture all of the customer's prior knowledge about and consumption experience with a company's products or services. Since each of these sources of information forecasts a company's capability to provide a positive customer experience, they should all have a positive effect on satisfaction. Customer expectations offer the anchor that is adjusted or updated in light of a customer's more recent purchase and consumption experience or what he or she has heard about the product or service. Indeed, customer expectations should be positively related to both perceived

quality and perceived value. These relationships capture a customer's ability to learn from experience and predict quality and value (Howard, 1977).

Customer satisfaction has two consequences (outcomes of satisfaction) in the model: customer complaint and customer loyalty. According to Hirschman (1970), the immediate consequences of increased customer satisfaction are decreased customer complaints and increased customer loyalty (Fornell & Wernerfelt, 1988). When customers are dissatisfied, they have the option of articulating their dissatisfaction in an attempt to be given retribution or defecting to a competitor. Thus, an increase in satisfaction should decrease the incidence of complaints. Increased satisfaction should also increase customer loyalty.

The final relationship in the model is the effect of customer complaints on customer loyalty. The direction and size of this relationship measures, to a large extent, the effectiveness of a company's complaint-handling system (Fornell, 1992). When the company's complaint handling is positive, then a company is successful in turning complaining customers into loyal customers. When negative, complaining customers are susceptible to defect.

Summary

Literature reviewed demonstrated that there is a strong relationship between customer expectation, perceived quality, perceived value and customer satisfaction. Also, it showed a strong relationship between customer satisfaction and customer loyalty and its overall impact on business performance. The literature reviewed, again, demonstrated that CRM principles significantly

enhanced customer loyalty and also allowed firms to understand customer and those profitable customers.

Most of the previous studies attempted studying customer satisfaction on how it is predicted by variables like customer expectation, perceived quality, perceived value and other predictive variables. The present study on the other hand, posits that there might be other factors that could affect customer satisfaction and as a result relationship quality or CRM was introduced into the model.

CHAPTER THREE

METHODOLOGY

Introduction

This chapter describes techniques and procedures employed in examining customer relationship management and customer satisfaction at MTN Ghana Limited. The chapter defined the various methods involved in gathering the data for the study. The chapter provides the relevant background to the study area, the study design, the study population, sample size and sampling procedure used, data collection procedure, data collection instrument(s), and the analysis of data.

Study area

The study area for the research was MTN Ghana Limited. MTN Ghana Limited was chosen for the study because is the number one telecommunication network in Ghana with over 55% market share according to the National Communications Authority (NCA). Exploring findings of MTN Ghana Limited from the entire nation would be too cumbersome. MTN Ghana Limited has a subscriber base with similar characteristics and do enjoy almost the same products and services irrespective of where they might find themselves. Thus, whether they are in Accra, Kumasi, Cape Coast or Takoradi, they enjoy almost the same products or services and soliciting for data from anywhere in the country would not yield a serious significant variation. This therefore, compelled the study to be

restricted to a population that can help retrieve questionnaires quickly and minimise non-response rate and as a result the Sunyani municipality was chosen as the study area in which MTN Sunyani branch office was used as contact point. The municipality also has a sizeable population patronising in MTN Ghana Limited's products from which data was collected. According to the marketing manager of MTN Ghana Limited, the customer base of MTN Ghana at the Sunyani municipality is about 25,650. Also, the Sunyani branch of MTN Ghana Limited was chosen because of its easy access to the researcher and will reduce cost as well.

MTN Ghana provides both post-paid and prepaid service to suit the different segments of the market. This study focused on the prepaid segment of the market. The company has different call and data plans to suit different customer needs. Due to the intense competition in the industry, the company now sells customised and subsidised items, like Modems, smart phones, laptops and low-end handsets to provide one-stop communication facility for customers. MTN has deviated from its core operations and now operates Mobile Money, which gives customers the chance to receive and transfer money via the mobile phones, and recently launched insurance service. These services are all geared towards the customer.

MTN has two offices in the Sunyani municipality. Precisely, MTN has one branch network service centre and one sale centre to provide customer services and also serve as sales points for customers. MTN started operations in the municipality about seven years ago. The branch started with two staff, a

customer service person and a finance person respectively. Currently, the branch network service centre (customer service centre) has four staff, while the sale centre operates with thirteen staff.

Study design

The study was rooted in both quantitative and qualitative model (mixed method approach). The study employed the survey design. The survey design was chosen, because it allows the collection of a large amount of data from a sizeable population in a highly economical way. It also examined customers' (current subscribers, distributors and retailers) views on MTN Ghana limited. Saunders, Lewis, and Thornhill (2009) assert that the survey design is also perceived as authoritative by people in general, and is comparatively easy to explain and understand. The survey strategy allows you to collect quantitative data, which can be analysed quantitatively, using descriptive and inferential statistics. Moreover, the survey strategy gives the researcher more control over the research process, and when sampling is used, it is possible to generate findings that are representative of the whole population at a lower cost than collecting the data from the whole population (Saunders et al, 2009).

According to Singleton, Straits and Straits (1993), a major strength of using a survey design is that it allows for direct contact between the researcher and the respondents of the study during the process of data collection. It further helps in obtaining detailed and precise information from the respondents. Though the survey design comes with these advantages, it has also got its weaknesses.

The data collected by using the survey strategy are unlikely to be as wide-ranging as those collected by other research strategies, such as experimental, case study, and or action (Saunders et al, 2009). This is because there is a limit to the number of questions that any interview schedule can contain. According to Singleton, Straits and Straits (1993), the main weakness of survey design, as compared to other designs, relates to the possibility of respondents not giving out true nature of events. This is due to the fact that, in survey design, the researcher relies on reports of behaviour rather than observation of behaviour. The authors argued further that the consequence of this is that measurement errors are produced by respondents' lack of truthfulness, misunderstanding of questions and inability to recall past events accurately and by the instability of their opinions and attitudes.

Multiple regression was employed to identify factors that influence customer satisfaction. Regression analysis is concerned with the study of the dependence of one variable, the dependent variable, on one or more other variables, the explanatory variables, with a view to estimating and/or predicting the (population) mean or average value of the former in terms of the known or fixed (in repeated sampling) values of the latter (Pallant, 2005). The regression model for this study is specified as follows:

Customer satisfaction (CS) = f(customer expectation (CE), perceived value (PV), perceived quality (PQ), relationship quality (RQ), customer complaint (CC), customer loyalty (CL))

$$CS=B_0+B_1CE+B_2PV+B_3PQ+B_4RQ+B_5CC+B_6CL+\varepsilon_t$$

Study population

The population of Sunyani municipality per the Ghana Living Standards Survey (GLSS, 2010) report was 208,496 dwellers (105,498 male and 102,998 females). The target population for the study was employees and customers of MTN Ghana Limited in the Sunyani municipality. According to the marketing manager of MTN Ghana Limited Accra, the customer base of MTN Ghana at the Sunyani municipality is about 25,650. The Sunyani branch has staff strength of seventeen employees, including one customer service manager and one regional sales manager.

Sample size and sampling procedure

The study combined both the probability and non-probability sampling techniques for the study. Specifically, the study employed both purposive and systematic sampling techniques. The purposive sampling technique was used to select two managers within the Sunyani Zone of MTN Ghana limited.

The systematic sampling technique was used to select the customers of MTN Ghana limited. With this, the researcher takes every Nth sampling unit after a random start till the researcher reaches the required sample size. As a result, any Nth customer who enters the office at the time of data collection was selected. The systematic sampling technique was used in order to ensure that the selection of customers was unbiased. Also, the systematic sampling is accurate, easily accessible and not containing periodic patterns. Again, with the systematic

sampling, actual list (sampling frame) is not always needed; it has relatively low cost; less time consuming; and relatively easy to explain (Saunders et al, 2009).

To have a meaningful analysis of data, the sampling method was determined, using the formula provided by Dillman (2007). Dillman provides the following formula for estimating desired sample sizes

$$N_s = \frac{(N_p)(p)(1-p)}{(N_p-1)(B/C)^2 + (p)(1-p)}$$

N_s = completed sample size needed (notation often used is n)

N_p = size of population (notation often used is N)

P = proportion expected to answer a certain way (50% or 0.5 is most conservative)

B = acceptable level of sampling error (0.05 = ±5%)

C = Z statistic associate with confidence interval (1.960 = 95% confidence level)

To illustrate, for a question with a 50/50 split in a population that consisted of 25,650 people, a sample size of 377 is needed to be 95% confident that the sample estimate is within ±5% of the true population value. The formula for this example is:

$$N_s = \frac{(25,650)(0.5)(1-0.5)}{(25,650-1)(0.05/1.96)^2 + (0.5)(1-0.5)} = 377$$

An interval of 1: 68 was used to sample 377 respondents out of a population of 25,650 respondents. The ratio is given as $\frac{377}{25,650} = 1:68$, representing it in a ratio form. Therefore, an interval of 1:68 was used in selecting the respondent category. Thus, the samples are drawn from the population on the basis of the sampling fraction. A number between 0 and 68 was randomly selected and that random number was 1. Therefore, all numbers between zero (0) and N

that resulted from adding 68 to this random number are selected. This process is repeated until N is reached.

Data collection method

Data was gathered from the MTN office in Sunyani and relevant information from the internet and other credible sources. Also, data was obtained from customers who have been with the MTN Ghana limited for at least one year. First, the researcher visited the administrative office of the MTN Ghana limited, Sunyani branch where, through the District Foundation Advisor, documents and literature on the profile of the Company as well as newspaper clippings on media coverage of their customer base were obtained.

Data collection instruments

The main instrument for data collection was the questionnaire and the interview guide. Basically, the questionnaire was used to solicit for information from customers. The instrument used was a modified version of the American Customer Satisfaction Index model, which also made use of a 10-point Likert scale.

The questionnaire had the following sections: Section A solicited information on the effect of customer expectation on customer satisfaction at MTN Ghana Limited; Section B sought to determine the effect of perceived quality on customer satisfaction at MTN Ghana Limited. Section C sought to

determine the effect of perceived value on customer satisfaction at MTN Ghana Limited.

Section D focused on determining the effect of relationship quality on customer satisfaction at MTN Ghana Limited; Section E solicited information on the overall satisfaction level of customers at MTN Ghana Limited; Section F solicited information on customer complaints at MTN Ghana Limited; Section G also solicited information on customer loyalty at MTN Ghana Limited; and Section H solicited information on personal characteristics of respondents.

The interview guide, on the other hand, was used to solicit for information from management of MTN Ghana limited at the Sunyani Branch. With this, two managers of the branch were interviewed in order to gather information on how MTN Ghana builds relationship with their customers using customer database. These managers were selected because they possessed the information that will best enable the researcher to answer the research questions and meet the stated objectives.

Pre-test

In order to minimise response bias and to reinforce the questionnaire's content validity, the questionnaire was pre-tested on 40 MTN Ghana mobile subscribers in the Berekum municipality in the Brong Ahafo Region who are similar to those who would likely be sampled in the larger data collection effort (Babbie, 2003). These respondents were asked to complete the questionnaire and

indicate any ambiguity or difficulty that they experienced in responding to the questions. Based on the recommendations by these respondents, some slight modifications were made on the final questionnaire. For instance, instead of using 1 to 10-point Likert scale a 0 to 10- point Likert scale was used to make room for a mid-point value.

Main study

In the main study, questionnaires were administered to the systematic random sampled (377) MTN Ghana subscribers in the Sunyani municipality. To ensure receptiveness to the research process, a formal letter of introduction was sent to MTN Ghana Limited's head office in Accra to secure management's approval for using the organisation's customer service centres to identify customers. An introductory letter was also given by management introducing the researcher to the customer service centres of MTN network in the Sunyani municipality.

Once these service centres agreed to co-operate with the researcher, arrangements were made for the researcher to approach these systematic random sampled subscribers of MTN Ghana. The entire sampling process took off on the 10th of November, 2014, and ended on the 16th of March, 2015 when the 377th customer had been approached.

The data was collected by the researcher with the help of two other research assistants. These assistants were trained by the researcher by explaining the research topic, the purpose of the research, and also how to explain the

questionnaire to the respondents if they have difficulties in answering them. There was the need for these research assistants due to the fact that MTN has two main offices and an authorised agent in the municipality, and it was improbable for the researcher alone to contact customers who visit these offices. Also, given an interval of 1:68, the researcher could not have contacted all the 377 respondents within the stipulated time period.

Data processing and analysis

The analysis of the data was based on responses given by respondents to the questionnaires administered. The collected data was sorted, edited, organised and coded. After coding, the computer was used to programme it to facilitate easy analysis of the data. Statistical Package for the Social Sciences (SPSS) was used to analyse the data. SPSS version 16 was used to run descriptive and factor analysis and the necessary statistical tests for the results. Descriptive statistics of the sample and results of the estimated models are published, using tables and simple graphics for ease of understanding. STATA 12 was employed to run the regression analysis.

Measurement Scale and Test Statistic

A ten-point Likert scale was employed in this study to help identify factors of customer satisfaction. The Likert scale ranges from zero (0) to 10. Two tailed t-test is employed to determine whether or not mean scale responses are significantly different from the mid-point, a neutral scale that shows customer

indifference, with values above the mid-point showing agreement to a statement and values below showing no agreement (Field, 2005). A test of significance (t-test) is a procedure by which sample results are used to verify the truth or falsity of a null hypothesis.

Measurement of variables

Customer expectation is defined as customers' anticipation of future consequences based on prior experience, current circumstances, or other sources of information (Oliver, 1997). With regards to customer expectation, a three (3) question likert scale was used to measure this variable. The likert responses ranged from "no agreement" (0) to "strongly agree" (10). These questions were designed to reflect customer expectation. Factor analysis was used to collapse these three (3) variables into one single variable in the form of regression factor scores for regression analysis.

Perceived product/service quality is the perception the customer has about the quality of an organisation's offering (Gronroos, 1984). A three (3) question likert scale format was chosen for this variable. The likert responses were "no agreement" (0) to "strongly agree" (10). The questions were designed to reflect perceived product/service quality. Factor analysis was used to collapse these three (3) variables into one single variable in the form of regression factor scores for regression analysis.

Perceived value is the difference between the prospective customer's evaluation of all the benefits and all the costs of an offering and the perceived

alternatives. That is, perceived value is the difference between what the customer gets and what they give for different possible choices (Kotler et al. 2009). A two (2) question likert scale format was chosen for this variable. The likert responses were "no agreement" (0) to "strongly agree" (10). The questions were designed to reflect perceived value. Factor analysis was used to collapse these two (2) variables into one single variable in the form of regression factor scores for regression analysis.

Relationship quality is a measure of the strength of a relationship between a firm (supplier) and a customer (buyer). It measures how strong the relationship is between both parties and as a result the buyer may continue to buy even if the customer encounters problems. A four (4) question likert scale was chosen to measure this variable. The likert responses were "no agreement" (0) and "strongly agree" (10). The questions were designed to reflect relationship quality. Factor analysis was used to collapse these four (4) variables into one single variable in the form of regression factor scores for regression analysis.

Customer satisfaction is defined as the customer's fulfilment response to a customer experience, or some part thereof (Buttle, 2012). According to the author, customer satisfaction is a pleasurable fulfilment response. Dissatisfaction is an unpleasurable fulfilment response. A two (2) question likert scale was used in measuring this variable. The likert responses were "no agreement" (0) and "strongly agree" (10). The questions were designed to reflect customer satisfaction. Factor analysis was used to collapse these two (2) variables into one single variable in the form of regression factor scores for regression analysis.

Customer complaint in the study dealt with the effectiveness of a company's complain-handling system which could turn complaining customers to satisfied and loyal customers (Fornell, 1992). In respect of customer complaint, four (4) questions were used in measuring the variable. Two "yes" or "no" questions and a two question likert scale was chosen to measure this variable. The likert responses were "no agreement" (0) and "strongly agree" (10). The questions were designed to reflect customer complaint. Factor analysis was used to collapse these two (2) variables into one single variable in the form of regression factor scores for regression analysis.

Customer loyalty is customers' deeply held commitment to rebuy or repurchase a preferred product/service consistently in the future, thereby causing positive repetitive, same-brand or same-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour (Oliver, 1999). A three (3) question likert scale was chosen to measure this variable. The likert responses ranged from "no agreement" (0) to "strongly agree" (10). These questions were designed to reflect customer loyalty. Factor analysis was used to collapse these three (3) variables into one single variable in the form of regression factor scores for regression analysis.

On the other hand, the qualitative analysis process employed in the study was summarising or condensation of meanings. Summarising, therefore, involves condensing the meaning of large amounts of text into fewer words. That is, the researcher produced a summary of the key points that emerged from undertaken

this activity. The condensation of meaning also enabled the researcher in identifying relationships between themes.

Limitation of the study

Exploring findings at MTN Ghana limited from the entire nation would be too cumbersome. This compelled the study to be confined to a population that could help retrieve interview schedule quickly and minimise the non-response rate. Secondly, to save cost and time, the study was restricted to the MTN Ghana limited Sunyani branch. The result of the study was, therefore, limited to the study population.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter analyses and discusses findings and draws inferences on customer relationship management and customer satisfaction. The analysis is divided into three main parts: with the first covering descriptive statistics, the second section conducts reliability analysis to validate the multi-item scales used in collecting research data for the study. Subsequently, on the basis of descriptive statistics, correlation and regression analysis, the results are presented. The third part also covered the qualitative analysis resulting from the interview of two managers of MTN Ghana.

Final data-producing sample

Among the 377 respondents that were approached, 15 did not finish answering the questionnaire, 10 could not be retrieved, and 8 were answered wrongly and as a result were not usable. This left 344 valid responses for use in the data analysis procedures.

Demographic characteristics of respondents

The study employed a survey method for the data collection using a questionnaire. For the purpose of this study, customers who have been with MTN Ghana Limited for at least one year were approached. Out of the 344 responses that were considered valid for analysis, only 328 respondents provided information about their sex, age, and educational background. The remaining 16 respondents did not provide information about their demographic characteristics due to privacy reasons. Information on customers' characteristics which include sex, age, and educational level were obtained.

Table 1: Age Groupings of Respondents

Profile of Respondents	Frequency	Percentage (%)
Age		
Below 21 years	36	10.97
21 – 30 years	211	64.33
31 – 40 years	53	16.16
41 – 50 years	15	4.58
Above 50 years	13	3.96
Total	328	100.00

Source: Field Survey, 2014

The descriptive analysis indicated that 62.80 per cent of respondents were males, while 37.20 per cent were females. The survey shows that majority of the respondents were males, and the main reason for this is because more men use mobile phones (53.0%) than females (47.0%) in Ghana, according to population and housing census (Population and Housing Census, 2010). With respect to age

of respondents, majority, 211 out of 328, representing 64.33 per cent, are in 21-30years year group, while only 3.96 per cent of respondents are more than 50years. This is an indication that, in Ghana, the youth dominate the use of mobile phones, compared to other age categories. Taken as a whole, the sample is consistent with the overall age structure of the Ghanaian population (Population and Housing Census, 2010).

Table 2: Educational Background of Respondents

Profile of Respondents	Frequency	Percentage (%)
Educational Qualification		
Junior High School	8	2.40
Senior High School	124	37.80
Graduate	179	54.60
Post-graduate	17	5.20
Total	328	100.00

Source: Field Survey, 2014

According to the results of the survey, educational background of the respondents revealed that 2.40 per cent were Junior high school graduates, 37.80 per cent were Senior high school graduates, 54.60 per cent were university graduates and 5.20 per cent were post university graduate degree holders.

Descriptive analysis of hypothesised model of customer satisfaction derived from using MTN products/services and its factors

Several factors are known to affect customer satisfaction. However, this study looked at only six of them. Factors that affect customer satisfaction include

customer expectation, perceived value and perceived quality, relationship quality, customer complaint and customer loyalty. Customer satisfaction and its factors have been analysed below.

Customer expectation

Table 3: Descriptive Statistics of Customer Expectation

Customer Expectation	N	Mean	Std dev	t statistic	Sig (2-tailed)
I had high expectations for the overall quality of the service	344	6.40	2.60	9.96	0.000*
I expected the product/service to meet my personal requirements	344	5.74	2.68	5.13	0.000*
I did not expect the service to go wrong often	344	5.97	2.55	7.04	0.000*

*denotes significant at alpha level of 5%

Source: Field Survey, 2014

Table 3 shows the expectation of customers before subscribing to MTN. The mean scale values and standard deviations for the customer expectation scale items ranged from 5.74 to 6.40 and 2.55 to 2.68 respectively. On the 10-point Likert scale, ranging from 0 to 10, 5 is the scale midpoint, indicating a neutral position (which shows customer indifference) with values below it approximating no agreement and values above it approximating strongly agree (Field, 2005). Three variables were used to measure customer expectation with their mean responses significantly above 5, as confirmed by the t-statistics and the p-values. Therefore, on the basis of the Likert scale, majority of respondents' (customers')

expectation prior to MTN subscription appeared to be fairly high. This result is not surprising, as MTN is the leading communications network in Ghana with a wide range of products and services, huge capital base and has more subscribers than any other telecommunications network in the country. Therefore, customers expect them to give better and high quality service tailored to suit their needs. This is important because as presented by Oliver (1993), customers form expectations of anticipated performance before purchase and these expectations serve as the baseline for assessing satisfaction. Cognitive dissonance would happen when expectations deviate from satisfaction levels.

Perceived Quality

Table 4: Descriptive Statistics of Perceived Quality

Perceived Quality	N	Mean	Std dev	t statistic	Sig (2-tailed)
I rate the quality of the service very high	344	6.11	2.55	8.10	0.000*
The product/service meets my personal requirements	344	5.72	2.45	5.43	0.000*
The product/service does not often go wrong	344	5.82	2.36	6.46	0.000*

*Denotes significant at alpha level of 5%

Source: Field Survey, 2014

From Table 4, three variables were used to measure perceived quality (customers' actual experience with the product/service) of MTN Ghana limited with mean scale values of 6.11, 5.72 and 5.82 respectively with t-statistics and p-

values confirming that these mean scales are significantly above 5. The results imply that customers fairly perceive that the service rendered by MTN is of high quality; it meets their personal requirements and their service does not often go wrong. In their performance-expectation comparison, Oliver and DeSarbo (1988) suggested a negative disconfirmation if the product or service was worse than expected, positive disconfirmation if better than expected, and zero or simple disconfirmation if as expected. Looking at the customer expectations result from the descriptive statistics, it could be said that the performance-expectation comparison between MTN Ghana and their customers could be labelled simple disconfirmation.

However, a previous study by Yirenkyi (2012) on factors affecting customer satisfaction and preference in the telecommunications industry showed a different result. The study revealed that respondents think service quality at MTN is very low. Adjetey (2012), as cited in Yirenkyi (2012), also showed a similar result of low quality of service at MTN. Therefore, the fact that respondents fairly perceived that the product or service rendered by MTN is of high quality in the current study is an indication that MTN has somewhat improved with their product or service quality. With all the sanctions and fines by the NCA due to poor quality of service, it is of no surprise that MTN Ghana has improved their product/service quality over the years as indicated by the current study. This improvement in perceived quality is very necessary on the part of MTN Ghana because as indicated by Taylor (1997) perceptions of high service (product)

quality and high service satisfaction resulted in a very high level of purchase intentions.

Perceived Value

Table 5: Descriptive Statistics of Perceived Value

Perceived Value	N	Mean	Std dev	t statistic	Sig (2-tailed)
The price I pay for the product/service is fair	343	5.20	2.63	1.41	0.159
I receive as much quality as the price I paid for the product/service	343	5.49	3.52	2.59	0.010*

*denotes significant at 5%
Source: Field Survey, 2014

Two variables were used to measure perceived value with mean scale values of 5.20 and 5.49 respectively. The standard deviations for these two variables, as indicated in Table 5, are 2.63 and 3.52 respectively.

T-statistic for the price “I paid for the product/service is fair” reveals that the mean scale value of 5.20 is not significantly different from 5, which is the scale mid-point. That is, respondents were indifferent between the two extremes “no agreement” and “strongly agree”. It is clear from this result that MTN Ghana should consider ways and means to better their services to meet the objective of price fairness. This result is in support of the study by Yirenkyi (2012), which showed mean values that are below the scale midpoint, indicating that customers do not agree that MTN offers fair prices for its products. In his study of equity

which is an evaluation of fairness, rightness, or deservingness that customers make in reference to what others receive, Oliver (1997) stated that the value customers perceive they are receiving can have an impact on their satisfaction levels. Also, based on the social exchange theory which emphasised equity and reciprocity, and parties not acting opportunistically, we can conclude that if MTN Ghana does not take seriously the value they offer customers, majority of customers would cease to be party to the relationship.

On the other hand, t-statistic for “I receive as much quality as the price I paid for the product/service” reveals that the mean scale value of 5.49 is significantly above 5, which indicates majority of respondents fairly equate the quality of service to the price they pay for the services provided by MTN. However, this mean scale value of 5.49 is also not too far from the indifferent scale value of 5. Again, the standard deviation of 3.52 shows relatively high variability among the responses, which suggests that observation, is not consistent across all the respondents. Therefore, we can conclude from the results that subscribers of MTN are indifferent and MTN should reduce the price customers pay for their product/services given the quality, in order to achieve price fairness (increase in perceived value).

Relationship Quality**Table 6: Descriptive Statistics of Relationship Quality**

Relationship Quality	N	Mean	Std dev	t statistic	Sig (2-tailed)
I am not satisfied with my relationship with MTN	344	5.89	2.53	6.51	0.000*
I am not committed to the relationship with MTN	344	5.47	2.43	3.59	0.000*
I do not trust MTN	344	5.11	2.46	0.83	0.405
I often wish I had not gotten into relationship with MTN	344	5.18	2.52	1.33	0.180

Source: Field Survey, 2014

In order to reveal the extent of relationship quality between MTN and its subscribers, respondents were asked to agree to four statements, using the 10-point Likert scale. The mean scale values and standard deviations for the responses varied from 5.11 to 5.89 and 2.43 to 2.53 respectively. Table 6 revealed that majority of respondents fairly agreed to the statement that “I am not satisfied with my relationship with MTN,” given that the t-statistic confirmed the mean scale value to be significantly above 5 at alpha level of 5 per cent. Again, the results in Table 6 revealed that the mean scale value for “I am not committed to the relationship with MTN” is significantly above the mid-point, which suggests that respondents are not committed to their relationship with MTN. This further

suggests that MTN is not doing well to manage their relationship between them and their customers.

The fact that customers of MTN Ghana limited are not satisfied and committed to their relationship with the company is an indication that MTN Ghana limited is losing out on the many benefits they can enjoy from having a quality relationship with their customers. Fournier (1998) stated that customers that are committed to and satisfied with a relationship can be realised as organisational assets, who are likely to be a source of favourable word-of-mouth referrals and are more resistant to competitor's offers.

Ragins and Greco (2003) also asserted that intimate customer relationship (quality relationship) can create committed customers that do not just offer an organisation with repeat purchases; rather, these committed customers have emotional attachment to the seller. These emotions, according to the authors, include trust, liking, and believing in the organisation's capability to respond effectively and promptly to a customer problem. Again, a study by Priluck (2003) revealed that customers are less likely to defect and more likely to spread positive word-of-mouth advertisement for the firm if the relationship is highly valued.

Payne and Frow (2004) posit that the main reason for maintaining quality relationship with customers is to improve customers' experience of how they interact with the company, which will turn into more satisfaction, increase customer loyalty and a long run increase in profitability. According to Buttle (2012), improving CRM (relationship quality) reduces a company's marketing

cost. The low customer satisfaction recorded at Table 9 buttresses the point that MTN is losing out due to the poor relationship quality rate.

The importance of relationship commitment to customer satisfaction and as such relationship marketing cannot be over emphasised, as indicated in the Morgan and Hunt's commitment-trust theory. Morgan and Hunt (1994) theorised that the presence of relationship commitment and trust is central to successful relationship marketing and achieving high customer satisfaction. Cook and Emerson (1978) proposed that commitment (relationship commitment) is central to relationship marketing, since it determines customer satisfaction level. Berry and Parasuraman (1991) maintain that relationships are built on the foundation of mutual commitment, and it is of no surprise that customers of MTN Ghana limited are not satisfied with their relationship with the company, because they are not committed to the relationship.

According to Roberts et al (2003), there are four dimensions that indicate the quality of a relationship: trust, satisfaction, commitment, and affective conflict. Thus, the fact that the descriptive statistics of relationship quality showed that customers are undecided on whether they trust MTN Ghana limited or not, customers not satisfied with their relationship with MTN, and are not committed to MTN is an indication that MTN is not managing their relationship with customers well. Therefore, MTN Ghana should know the importance of keeping quality relationships with customers, especially when the transactional-based marketing has given way to relationship marketing (Gronroos, 1997).

However, when respondents were asked to agree or disagree with the statements “I do not trust MTN” and “I often wish I had not gotten into relationship with MTN,” the mean scale values for these variables respectively were found to be insignificantly different from 5, as shown in Table 6. That is, the mean scale responses suggested that subscribers of MTN products/services were undecided about the above statements. Though mean scale responses indicated that customers are not satisfied with their relationship with MTN, they could not say whether or not they trust MTN nor could they say they wished they had not gotten into a relationship with MTN. There is, therefore, the tendency that customers are loyal to their brand communications network in spite of the low quality relationship between the two parties. Results from customer loyalty buttress this assertion.

According to Jones and Sasser (1995), when a customer is completely satisfied, she or he tends to remain loyal to the relationship - thus, relationship quality is achieved. When the customer is just satisfied, the company can easily lose the customer, meaning their loyalty varies. The overall customer satisfaction result at Table 9 showed low satisfaction among customers of MTN Ghana, and it is of no surprise that relationship quality is low, according to Jones and Sasser (1995). Generally, we can conclude from the results in Table 6 that relationship quality between MTN and its customers is low. To the author’s knowledge, this finding on relationship quality does not echo any existing study on telecommunication companies in Ghana.

Customer Complaint

Out of 343 respondents who responded to the question “have you complained to MTN within the past few months?” majority of respondents (57.73 per cent) responded in the affirmative, 41.69 per cent responded no, while only 2 respondents (0.58 per cent) indicated they were refused when they attempted to lodge a complaint to MTN. The results suggest that MTN customers have issues with the service being rendered to them, which is why majority of respondents complained to their brand network within the past few months.

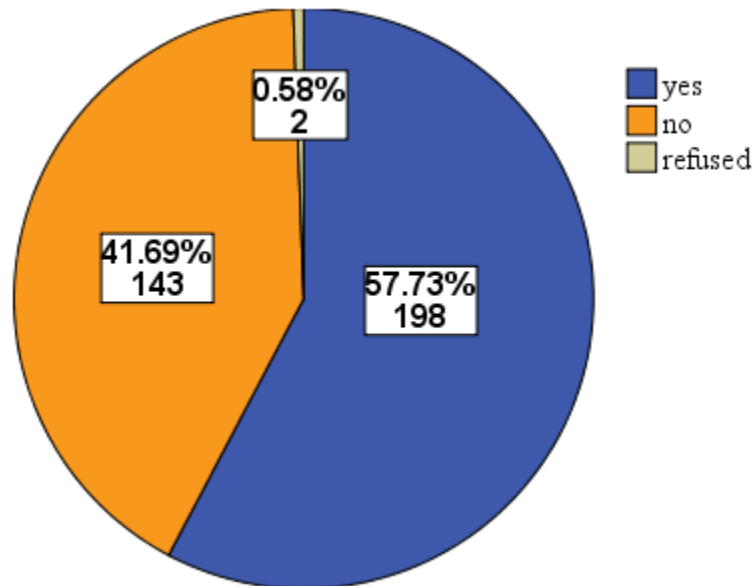


Figure 3: Customer Complained to MTN

Table 7: Descriptive Statistics of Customer Complaint

Customer Complaint	N	Mean	Std dev	t statistic	Sig (2-tailed)
It does not take long for MTN to respond	201	4.33	2.35	-4.03	0.000*
MTN does not handle complaint well	197	5.36	2.62	1.958	0.052

*denotes significance at 5% alpha level

Source: Field Survey, 2014

Respondents were further asked to indicate their agreement to the following statements: “It does not take long for MTN to respond” and “MTN does not handle complaint well”. Table 7 reveals that the mean scale response for 201 respondents was 4.33, which is significantly below the mid-point scale value of 5 at 5 per cent level of significance. This implies that respondents agree that it takes long for MTN to respond to a complaint from a customer. This observation is probably as a result of the fact that MTN has a lot of subscribers who lodge complaints, and the customer care representatives are not adequate in number to address concerns of subscribers. This has the tendency to reduce the relationship between MTN and its customers, and customer satisfaction, as a whole. This is in support of Fornell’s (1992) assertion that when a company is able to effectively handle customer complaints, then that company would be successful in turning complaining customers into satisfied and loyal customers. When customer

complaints are not effectively handled, according to the author, complaining customers are predisposed to defect.

However, the mean scale response to the statement “MTN does not handle complaint well” was not significantly above 5, indicating that customers were indifferent. That is, customers could not say MTN handles complaint well neither were they able to say otherwise. This indifferent position taken by the respondents suggest that customers are not too comfortable with the way MTN handles complaint. Customer satisfaction can be boosted as customer complaints are well handled in the eyes of customers.

Customer Loyalty

Table 8: Descriptive Statistics of Customer Loyalty

Customer Loyalty	N	Mean	Std dev	t statistic	Sig (2-tailed)
I am likely to buy the product/service again	344	5.55	2.49	4.12	0.000*
I am likely to recommend the product/service to a friend	344	5.15	2.30	1.22	0.223
I am not likely to leave/switch to other network	344	5.14	2.25	1.18	0.232

*Denotes significance at 5% alpha level

Source: Field Survey, 2014

On customer loyalty, respondents were asked to indicate their agreement to three statements on the 10-point Likert scale. The mean scale values for the above statements are 5.55, 5.15 and 5.14 respectively, with variability among

these items varying from 2.25 to 2.49, as shown in Table 8. The t-statistic reveals that only “I am likely to buy the product/service again is significantly above the neutral point. That is, respondents revealed that they are likely to buy MTN products/services again.

This result is quite shocking, given that respondents revealed they do not like the relationship that exists between them and MTN. However, it also suggests other telecommunications networks are not doing any better than MTN in terms of customer relationship. This suggestion is in support of Frempong and Henten’s (2004) argument that there is widespread dissatisfaction with telecommunication network providers in Ghana among users. It is also in support of Nimako et al’s (2010) assertion that, among users of mobile networks, there is widespread dissatisfaction with the general telecommunication development in Ghana. The mean scale values of 5.15 and 5.14 for the remaining variables suggest that respondents are indifferent when it comes to recommending MTN product/service to a friend and the likelihood of switching to other networks, given that these mean scale values are not significantly different from the neutral point. These results suggest that customers of MTN are loyal to their brand network. This is because although customers were unable to say whether they will recommend MTN products to friends or switch to other networks, majority of respondents said they are likely to buy MTN products again. Customer loyalty is about customers’ deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future (Oliver, 1997).

Customer Satisfaction**Table 9: Descriptive Statistics of Customer Satisfaction**

Customer Satisfaction	N	Mean	Std dev	t statistic	Sig (2-tailed)
I am not satisfied with MTN product/service	344	6.01	2.69	7.01	0.000*
The product has fallen short of my expectation	344	5.41	2.52	2.99	0.000*

*Denotes significant at 5% alpha level

Source: Field Survey, 2014

In order to identify whether or not customers of MTN are satisfied with their product/service, respondents were asked to indicate their agreement to the statements “I am not satisfied with MTN product/service” and “The product has fallen short of my expectation,” using the 10-point Likert scale ranging from 0 to 10. For 344 respondents, the mean scale response values for the respective statements are 6.01 and 5.41, which are significantly above the scale mid-point 5, given the t-statistics. The results, as shown in Table 9, reveal that customers of MTN are not satisfied with the service MTN renders to them and product has fallen short of their expectation. Customer satisfaction is closely linked to quality customer relationship. Given that customers were not satisfied and committed to their relationship with MTN, it is not surprising that customer satisfaction is low at MTN Ghana.

This result supports that of Nimako et al (2010) which in their study used the expectation-disconfirmation paradigm and compared the customer satisfaction rating of four telecommunications companies in Ghana, namely MTN, Tigo,

Vodafone, and Kasapa. Their study revealed that, although overall customer satisfaction ratings among customers of these Ghanaian mobile networks significantly differ, relatively, customers of MTN rated it with the lowest satisfaction score. Nimako and colleagues reported that overall satisfaction with MTN services ranged from 2.04 to 2.69 (Nimako et al, 2010).

The work by Yirenkyi (2012) also confirmed the low satisfaction rate at MTN Ghana, with mean values ranging from 2.6303 to 2.8182. This is an indication that the satisfaction rate at MTN Ghana limited is very low, according to the respondents. Furthermore, it reinforces Frempong and Henten's (2004, p43) earlier assertion that there is a widespread dissatisfaction with telecommunication network providers in Ghana among users.

Exploratory customer satisfaction factor analysis

Table 10: Communalities and Eigen Values

Variable	Communi- nality	Factor	Eigen Value	% of variance
I had high expectations for the overall quality of the service	.902	1	6.621	38.95
I expected the product/service to meet my personal requirements	.818	2	2.291	13.477
I did not expect the service to go wrong often	.849	3	1.577	9.278
I rate the quality of the service very high	.933	4	1.430	8.409
The product/service meets my personal requirements	.868	5	1.178	6.931
The product/service does not often go wrong	.858	6	1.049	6.169
The price I paid for the service is fair	.913			
I receive as much quality as the price I paid for the product/service	.914			
I am not satisfied with my relationship with MTN	.906			
I am not committed to the relationship with MTN	.749			
I do not trust MTN	.655			
I often wish i had not gotten into relationship with MTN	.666			
It does not take long for MTN to respond	.848			
MTN handles complaint well	.846			
I am likely to buy the product/service again	.915			
I am likely to recommend the product/service to a friend	.755			
I am not likely to leave/switch to other network	.751			

KMO statistic = 0.803
 Bartlett's Test of Sphericity: Approx. Chi-Square = 2497; df = 136; sig. = 0.000

Source: Field Survey, 2014

Before proceeding for factor analysis, appropriateness of factor analysis must be assessed. This can be done by examining adequacy through Kaiser-Meyer-Olkin (KMO) statistic. According to the Kaiser-Meyer-Olkin (KMO), values greater than 0.5 are considered to be adequate (Kaiser, 1974; Nigam & Kaushik, 2011).

From Table 10, the Bartlett's test of Sphericity (Approx.: Chi-square = 2497, df. 136, sig. 0.000) and the KMO measure of sampling adequacy (value of 0.803) confirmed that there was significant correlation among the variables to warrant the application of factor analysis. Thus, factor analysis can yield distinct and reliable results. Only factors whose eigen values were equal or greater than 1 were selected (Malhotra & Birks, 2007).

Moreover, variables with loadings of at least 0.5 (Hair et al., 2010) and factors with a reliability threshold of 0.7 were selected for the analysis (Nunnally, 1978; Hair et al, 2010). All the 20 variables were factor analysed, which subsequently yielded six factors, as illustrated in the principal component factor loadings (Table 11). The six factors with eigen values greater than one explain satisfactorily 83.213%.

Varimax rotated principal component loadings and factor reliability

Table 11 gives the initial communalities estimates. Six factors were further confirmed by the rotation sums of squared loading, using the varimax rotation as the extraction method. The results revealed that the variables loaded

perfectly onto the six factors. Four variables loaded highly on Factor 1 and were all related to customer relationship between MTN Ghana and her customers. Factor 2 had three variables, which were also related to expectation of customers before using MTN Ghana products.

Table 11: Principal Component Analysis and Cronbach's Alpha Results

Factor and items	Number of items	Loadings	Cronbach's alpha
Factor 1: Relationship Quality	4		0.879
I am not satisfied with my relationship with MTN		0.869	
I am not committed to the relationship with MTN		0.816	
I do not trust MTN		0.751	
I often wish i had not gotten into relationship with MTN		0.773	
Factor 2: Customer Expectation	3		0.914
I had high expectations for the overall quality of the service		0.902	
I expected the product/service to meet my personal requirements		0.888	
I did not expect the service to go wrong often		0.899	
Factor 3: Perceived Quality	3		0.922
I rate the quality of the service very high		0.838	
The product/service meets my personal requirements		0.857	
The product/service does not often go wrong		0.830	
Factor 4: Customer Loyalty	3		0.887
I am likely to buy the product/service again		0.814	
I am likely to recommend the product/service to a friend		0.818	
I am not likely to leave/switch to other network		0.781	
Factor 5: Customer Complaint	2		0.810
It does not take long for MTN to respond		0.813	
MTN handles complaint well		0.890	

Source: Field Survey, 2014

Furthermore, Factor 3 had three variables, which is related to the quality as perceived by customers, while Factor 4 also had three variables, which related to how customers are loyal to their brand telecommunications network. Factors 5 and 6 had two variables each, which related to value as perceived by customers and complaints made by customers respectively. In order to construct meaningful indices of determinants of customer satisfaction in mobile telecommunications, separate reliability analysis were conducted for items pertaining to customer expectation, perceived quality, perceived value, relationship quality, customer complaint, and customer loyalty (see Table 11). The customer satisfaction scale and the six determinants of customer satisfaction were assessed for reliability. The Cronbach's alpha coefficient was used to gauge scale reliability, resulting in coefficients which ranged from 0.644 (perceived value) to 0.922 (perceived quality). Following Nunnally (1978), perceived value as a factor of customer satisfaction is dropped from further analysis (Table 11).

Regression analysis of the factors that affect customer satisfaction**Table 12: Regression Model for Customer Satisfaction**

Customer Satisfaction	Beta	Standard Error	T	Sig
Constant	1.246	0.516	1.554	0.122
Customer Expectation	-0.006	0.057	-0.099	0.921
Perceived Quality	0.365	0.070	5.238	0.000***
Relationship Quality	0.348	0.066	5.296	0.000***
Customer Loyalty	0.146	0.070	2.086	0.038**
Customer Complaint	-0.134	0.231	0.581	0.562

F stat (prob) = 43.814(0.000)

$R^2 = 0.523$ Adj. $R^2 = 0.511$

Linktest $\hat{\rho}$: $P > |z| = 0.001$ $\hat{\rho}^2$: $P > |z| = 0.587$

***Denotes significant at alpha level of 1%

**Denotes significant at alpha level of 5%

Source: Field Survey, 2014

The study focused on how relationship quality (CRM) can affect customer satisfaction, without overlooking other variables such as customer expectation, perceived quality, and customer complaint and customer loyalty. This section presents findings from the regression analysis on the main variables. These results have been presented in Table 12.

Linktest, a post-estimation test, which tests for correct model specification was conducted. The scores for $\hat{\rho}$ ($P > |z| = 0.001$) and $\hat{\rho}^2$ ($P > |z| = 0.587$) for

the linktest shows that the model is correctly specified. This means that we can, only by chance, find additional predictors that are statistically significant.

Table 12 reports the model summary, with the calculated value of $R^2=0.523$ confirming that the three main factors, namely perceived quality, relationship quality, and customer loyalty, reaching significant level, explain 52 per cent of the variation in the level of customer satisfaction of the sample. The value of the Adjusted $R^2=0.511$ is the value of the coefficient of multiple determination adjusted for degrees of freedom. It ensured that when adjusted for degrees of freedom, the three variables, namely perceived quality, relationship quality, and customer loyalty, explain 51 per cent of the variation in the level of customer satisfaction of the sample.

The F-statistic ($F = 43.814$, Prob.F-stat<0.000) shows that there is strong and significant relationship between the customer satisfaction and its factors. These figures provide evidence of model fit, indicating particularly that the regression model fitted the data reasonably well.

On the individual factors, perceived quality ($beta = 0.365$, $p < 0.000$), relationship quality ($beta = 0.348$, $p < 0.000$) and customer loyalty ($beta = 0.146$, $p < 0.038$) are positively and significantly related to customer satisfaction. That is, according to the results, there is an indication that perceived product/service quality directly influenced customer satisfaction ($beta = 0.365$, $p < 0.000$). This predicted result supports the empirical findings that perceived product/service quality is one of the antecedents of customer satisfaction (Cronin & Taylor, 1992; Anderson & Sullivan, 1993; Spreng & Mackoy, 1996; Reidenbach & Sandifor-

Smallwood, 1993; Woodside, Frey, & Daly, 1989). The result also supports Coner and Gunger's (2002) assertion that quality of product and service is directly related to customer satisfaction. This indicates that a unit decrease in perceived quality can result in a corresponding decrease in customer satisfaction by 0.365 units. That is, the level of customer satisfaction is decreased significantly following any negative perception regarding the quality of the services that are being delivered

Again, the present study found significant positive relationship between relationship quality and customer satisfaction, and that, relationship quality had a direct significant effect on customer satisfaction ($\beta = 0.348$, $p < 0.000$). Though, in the field of relationship marketing, relationship quality has become an important and popular topic, there seem not to be any empirical findings on relationship quality as a predictor of customer satisfaction. Notwithstanding this, a study by Roberts et al (2003) stressed that relationship quality is a predictor of behavioural intentions. This is also an indication that a unit decrease in relationship quality between MTN and its subscribers can result in a corresponding decrease in customer satisfaction by 0.348 units. This means that improvement in relationship quality is a key in maintaining customers and increasing customer satisfaction as a whole.

Moreover, this study found significant positive relationship between customer loyalty and customer satisfaction, and that it also has a direct significant effect on satisfaction. A study by Coner and Gunger (2002); Cronin and Taylor (1992); and Dabholkar, Shepherd and Thorpe (2000) indicated that loyalty is one

of the consequences of satisfaction. However, the current study showed that customer loyalty is also a predictor or antecedent of satisfaction ($\beta = 0.146$, $p < 0.038$). Again, the results in Table 12 reveal that a unit increase in customer loyalty has the tendency to increase customer satisfaction by 0.146 units. Analysis of the regression coefficients (β) suggests that while customer loyalty ($\beta = 0.134$) and relationship quality ($\beta = 0.348$) are both strongly linked to customer satisfaction, the impact of perceived quality ($\beta = 0.365$) is relatively greater.

However, customer expectation and customer complaint were found to have no significant positive relationship with customer satisfaction. That is, customer satisfaction could not be explained by customer expectation and customer complaint. This unpredicted result of customer expectation not having a direct influence on customer satisfaction does not support empirical findings of a positive relationship between expectation and satisfaction found by Bearden and Teel (1983), and Swan and Trawick (1981). However, a study by Wu and Ding (2007) supports this current study that customer expectation has no direct effect on customer satisfaction.

The result indicating that customer satisfaction could not be explained by customer complaint supports the empirical findings that customer complaint is only a consequence or an outcome of satisfaction not an antecedent, according to the American Customer Satisfaction Index (ACSI) model. In the American Customer Satisfaction Index (ACSI) model, customer satisfaction has three antecedents that have a direct positive effect on satisfaction: customer expectation, perceived quality, and perceived value (ACSI, 2008). However, this

study found that only one antecedent (perceived quality) has a direct positive effect on customer satisfaction. Customer expectations were found to have no effect on satisfaction.

Following Nunnally and Bernstein's (1994) minimum standard for testing reliability, perceived value as a factor of customer satisfaction was dropped for further analysis, since it did not pass the reliability test. A new factor of customer satisfaction (relationship quality or CRM) was introduced into the American Customer Satisfaction Index (ACSI) model and was found to have a direct positive effect on customer satisfaction. These findings marginally support the findings by Wu and Ding (2007) in their work: Validating the American Customer Satisfaction Index Model in the Online Context: An Empirical study of U.S. Consumer Electronics E-Tailers.

According to the prior discussions, the hypothesised model was modified (**Figure 2**) to remove the relationship between customer expectation, perceived value and customer satisfaction and to show that customer loyalty is not only an outcome of satisfaction, but also an antecedent of satisfaction.

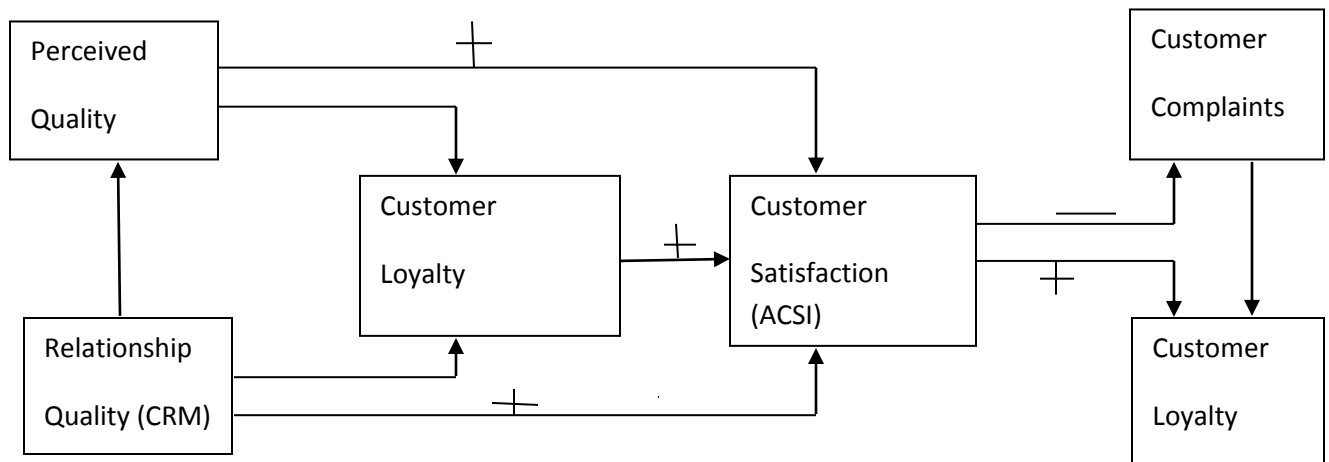


Figure 4. Modified model of CRM and Customer Satisfaction
Source: Adapted from the ACSI, (2008)

Customer relationship management

In order to have an insight into whether MTN Ghana manages their relationship with customers well to ensure that relationship quality is achieved, two managers, namely customer care manager and regional sales manager, were interviewed. Since relationship is built by knowing something about the parties involved, these managers were asked whether MTN Ghana keep database of their customers using a CRM system; a 'yes' answer was given. This shows the importance MTN Ghana attaches to CRM. As Winer (2001) notes, customer database is the necessary first step to a complete CRM.

According to the managers, this database contains demographic, psychographic and sometimes purchase history of their customers. Formant (2000) asserts that customer value can only be delivered by highly sophisticated databases that combine information from several external and internal sources regarding demographics, psychographics, survey results and purchase patterns. The managers also stressed that the database is also used to contact customers on whether after visiting the office their needs were addressed and that their complaints were handled properly and are now satisfied with their product/service.

This, according to the regional sales manager, enables the company to group their customers into 'promoters', 'detractors', and 'neutrals'. Promoters are those customers that say good things about the company; detractors are those that say bad things about MTN Ghana; and the neutrals are those customers who are indifferent about whether they were satisfied with MTN Ghana's

services/products. Efforts are then put in to turn these categories, ‘detractors’ and ‘neutrals’ to ‘promoters’ who could become a source for word-of-mouth advertisement. Fournier (1998) stated that committed and satisfied customers can be realised as organisational assets, who are likely to be a source of favourable word-of-mouth referrals and are resistant to competitors offers.

In describing the relationship between MTN Ghana and their customers, the customer service manager described the relationship as excellent. However, the regional sales manager rated MTN Ghana’s relationship with customers as above average, given the reason that there is still more room for improvement in dealing with customer complaints in order to achieve total satisfaction of customers. The customer care manager ranked MTN Ghana’s relationship with customers as excellent, because, according to the manager, whenever customers do visit the office they treat and serve them well, leaving the office very satisfied. This, according to the manager, implies that they have quality relationship with customers.

This assertion, however, differs significantly from the descriptive statistics results obtained from customers on relationship quality. The results in Table 5 revealed that majority of respondents fairly agreed to the statement that “I am not satisfied with my relationship with MTN”, given that the t-statistic confirms the mean scale value to be significantly above 5 at alpha level of 5%. Again, the relationship quality results in Table 5 revealed that the mean scale value for “I am not committed to the relationship with MTN” is significantly above the mid-point,

which suggests that respondents are not committed to their relationship with MTN.

This further suggests that MTN is not doing well to manage their relationship between them and their customers. This is an indication that, although management believe that subscribers are satisfied with relationship they have with them, subscribers rather think differently. This is what MTN Ghana should take seriously in order to bridge the gap, regarding whether customers are satisfied with their relationship quality. This is because, as Priluck (2003) notes, if the relationship is highly valued by customers, they are less likely to defect and more likely to spread positive word of mouth advertisement for the firm.

When the researcher inquired from the managers what could be done better, from MTN's perspective, regarding the relationship quality with customers, they suggested the following: The managers suggested an improvement in MTN Ghana's network quality, as this is the only way the company can build quality relationship with customers and, thereby, satisfy them. Due to the competitive nature of the telecommunications industry, the managers suggested that MTN should increase offers given to customers, in order to prevent customers from switching to other mobile network companies.

As Peppers and Rogers (2004) noted, brand loyalty is achieved through building relationships of trust, familiarity, and reliability. Also, according to the customer care manager, in order to maintain a quality customer relationship, the company should create toll free helpline service in the various regions to limit the

load on the central helpline. This, according to the manager, will reduce the amount of time customers are put on hold when they call the helpline.

Regarding the benefits MTN Ghana is enjoying as a result of the implementation of this CRM system, the managers mentioned these: it helps MTN Ghana to understand their customers better, which enables them to know the exact need of their customers. This is important, because, as Rowley (1999) noted, organisations that are able to build and enhance their knowledge capabilities will be more successful in this competitive era.

Wilson et al (2002) posit that CRM implementation improves the process to communicate with the right customers, to provide the right offer for each customer, and to provide the right offer at the right time for each customer. Zack (2003) also asserted that these organisations segment their markets not only based on their products and services, but also based on the amount of knowledge, which they have acquired or learned from their customers. Thus, the more the knowledge an organisation has about their customers, the more it enhances their ability to segment their markets and target that segment they can serve profitably.

Again, CRM system, according to the customer care manager, enables the company know the customer base, in order to serve each and every customer within the subscriber base well. It also helps MTN to determine whether customers are active with their sim cards or not, and to know the churn rate at MTN. Knowing customers who are thinking of leaving the network enable managers to target these customers by giving the offers that

will convince them to stay. Reducing churn rate (defection rate) is relevant; as it reduces a company's marketing cost, according to Buttle (2012). The author asserts that it costs, for instance, an advertising agent not less than 20 times as much to recruit a new client than it does to retain an existing customer.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter summarises the major findings of the study. The chapter is organised into four sections. The first section has a summary of the main findings, section two presents the conclusions of the study. Section three presents recommendations based on the analysis of the available data. The final section discusses the directions for further studies.

Summary of findings

This paper sought to examine customer relationship management and customer satisfaction at MTN Ghana limited. Building and maintaining relationships with customers and achieving total customer satisfaction are very important in any service delivery organisation, especially when competition is very keen in this changing business environment, where customers' demands keep changing day in and out.

The study was intended to solicit the opinions and views from customers of MTN Ghana and managers of the Sunyani branch. The study employed the survey design and was rooted in both quantitative and qualitative model. The survey design was chosen because it allows the collection of a large amount of data using structured questionnaires from a sizeable population in highly

economical way. The study combined both the probability and non-probability sampling techniques. Specifically, the study employed both purposive and systematic sampling techniques. The purposive sampling technique was used to select the staff within the Sunyani Zone of MTN Ghana limited. The systematic sampling technique was used to select the customers of MTN Ghana limited. A total of 377 respondents (MTN customers) were chosen for the study. Aside this, two managers of the Sunyani branch were interviewed on how MTN Ghana uses its customer database to build relationships with customers.

The first objective was to assess how MTN Ghana limited uses its CRM systems to build customer database. The results from the interview of the managers at the branch indicated that MTN has a CRM system they use to build customer database. The database is used to contact customers to find out whether they were satisfied with how their complaints were handled after visiting the branch. The results from this call-back process enable the company group its customers into “promoters”, “detractors”, and “neutrals”, based on the kind of feedback given and how “detractors” and “neutrals” could be turned into “promoters”.

A questionnaire was used in answering objectives 2 to 7 on the determining factors of customer satisfaction. Several factors are known to affect customer satisfaction and the factors that affect customer satisfaction include customer expectation, perceived quality and perceived value, relationship quality, customer complaint, and customer loyalty. Descriptive analysis showed that majority of the respondents’ (customers’) expectation prior to MTN subscription

appeared to be fairly high. However, the regression analysis showed that customer expectation has no significant positive relationship with customer satisfaction.

Regarding perceived quality, the descriptive results showed that customers fairly perceive that the service (products) rendered by MTN is of high quality; it meets their personal requirement and their service does not often go wrong. The regression result, on the other hand, showed that perceived product/service quality directly influenced customer satisfaction. Though majority of respondents did not agree that MTN offer fair prices for their products, perceived value as a factor of customer satisfaction was dropped from further analysis, since it did not pass the Cronbach's alpha coefficient test.

Again, on relationship quality, the descriptive statistics results indicated that majority of the respondents were not satisfied with their relationship with MTN Ghana. The regression results showed that relationship quality directly affects customer satisfaction. Though, in the field of relationship marketing, relationship quality has become an important and popular topic, there seem not be any empirical findings on relationship quality as a predictor of customer satisfaction. Moreover, the descriptive results suggest that MTN customers have issues with the service being rendered by MTN, since majority of respondents have complained to their brand network within the past few months.

On customer loyalty, the descriptive statistics result showed that respondents were somewhat loyal to their brand. Interestingly, the regression analysis result revealed that customer loyalty has a direct influence on customer

satisfaction. Furthermore, the descriptive statistics result revealed that overall satisfaction at MTN Ghana is very low according to majority of respondents.

Conclusions

Based on the empirical results, customer expectation has no significant relationship with customer satisfaction, and this result confirms that customer expectation has no direct positive effect on customer satisfaction. While it is difficult to comprehend why customer expectation did not influence or affect customer satisfaction, it may be that customers in the developing countries, such as Ghana, and most especially in the Sunyani municipality, do not form expectations of anticipated performance prior to purchase. Or, as it is known, customers are thought to adapt satisfaction levels to expectation levels in order to avoid the cognitive dissonance that would happen when expectations deviate from satisfaction levels.

Again, based on the empirical results, customer complaint was found to have no significant relationship with customer satisfaction. Thus, it confirms that customer complaint has no direct positive effect on customer satisfaction. The empirical result also confirms that customer complaint is not an antecedent of customer satisfaction, but rather consequence or an outcome of satisfaction. Thus, if a customer is not satisfied with a product/service the customer will complain and when the complaint is handled well, the company successfully turns a complaining customer to a loyal customer.

Nevertheless, based on the empirical results, this study concludes that perceived product/service quality, relationship quality, and customer loyalty are the most important determinants of customer satisfaction at MTN Ghana limited. These results disconfirm the assertion that perceived product/service quality, relationship quality, and customer loyalty have no direct positive effect on customer satisfaction. Rather, perceived product/service quality, relationship quality, and customer loyalty have a direct positive effect on customer satisfaction. In particular, the lower the product or relationship quality, the lower the level of customer satisfaction, and that the more loyal customers are to a particular brand, the greater the level of satisfaction among customers. On the other hand, the higher the product or relationship quality, the higher the level of customer satisfaction, and that the less loyal customers are to a particular brand, the lower the level of satisfaction among customers.

Finally, this study would like to infer that because the empirical results showed that customer loyalty determines customer satisfaction, customer loyalty is not just an outcome of satisfaction but also an antecedent of satisfaction. Thus, loyal customers turn to be satisfied with whatever their brand owners will offer. Also, this study would like to infer that, though relationship quality as a factor has not been tested as a predictor of customer satisfaction, the empirical results showed that aside perceived product/service quality, relationship quality is a better predictor of customer satisfaction than the other factors.

Recommendations

The empirical results of this study have thought-provoking managerial implications for MTN Ghana Limited. In managing relationships with customers, managers of MTN Ghana should consider perceptions of product/service quality, the level of relationship quality and loyalty. Also, managers should consider perceptions of value, especially when there is deterioration of quality. MTN Ghana has over the years focused on corporate marketing, sponsoring sporting events, entertainment, and sometimes education and health programmes in Ghana, in an attempt to enhance their reputation. In doing these, MTN Ghana is acting on the premise that companies can do well by doing good, and tend to overemphasise on building brand image, thereby overlooking important questions about relationship quality, product/service quality, and price fairness.

The present study found a significant relationship between perceived product/service quality, relationship quality and customer satisfaction, and was also seen as better predictors of customer satisfaction than brand image, the goal of many service companies. It is therefore, recommended that, management of MTN Ghana should put measures in place to build and maintain quality relationships with customers, and also improves the quality of products and services offered to customers.

Also, it is recommended on the basis of the empirical evidence that, to have a better understanding of customer satisfaction, managers must survey customers about perceived product/service quality, relationship quality, and customer loyalty. The research indicated that when customers have negative perceptions

about product/service quality and relationship quality, notwithstanding high investments into corporate reputation building and sales promotion, and even high level of customer loyalty and any effort made to handle customer complaints well, customers will be dissatisfied with MTN Ghana.

Again, the outcome of the interview with management showed that MTN managers perceived to have quality relationship with customers. However, the descriptive statistics result on relationship quality showed otherwise. It is therefore, recommended that, management of MTN Ghana should work assiduously to bridge the gap about the perception of relationship quality.

The consequences of customer dissatisfaction are well documented. Dissatisfied customers could spread the bad word to other potential customers and will keep avoiding the company, and could also cause current customers to defect, a situation which could potentially lead to revenue contraction and subsequent lowering of profits. These are serious implications for management of MTN Ghana Limited in this highly competitive business environment they found themselves in.

In the nut shell, managers of MTN Ghana need to put measures in place to improve the relationship quality with customers, swiftly tackle connectivity problems and to deliver quality, reliable services at reasonable prices to commensurate with the level of services that are been delivered, in order to increase the loyalty level. However, the question is: can any research implication be inferred from this present study? This issue is addressed next.

Directions for future research

This study examined customer relationship management and customer satisfaction at MTN Ghana Limited. The study has contributed to the existing body of knowledge on the topic by introducing a modified model of customer relationship management and customer satisfaction. Although the present study did not find full support for the model, based on the empirical findings, another modified model was designed by the researcher. Nevertheless, although the study no doubt enriched the literature with further empirical evidence from developing countries context, improvement is required from the following areas.

In the first place, the use of Sunyani municipality as the study area could limit the external validity of the study, making the results unlikely to be generalizable to other areas in the country and to other firms within the same industry. The logic for future researchers is to sample subscribers from across the entire country. Secondly, related to the first suggestion, further attempts at validating the conceptual model could be carried out in other telecommunication industries and in other service sectors of the Ghanaian economy, such as hotel and restaurant, banking and insurance, retailing industry and the like. Thirdly, since customer dissatisfaction has serious implications on a company, future researchers could examine the cost of losing customers to enable managers have insight into why zero defection is a necessary condition in this competitive business environment.

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APPENDIX B

INTERVIEW GUIDE FOR MANAGEMENT

1. Do you have CRM system (software) in place?
2. How does MTN Ghana limited use their CRM system to build customer database?
3. According to you, how would describe your relationship with your customers?
4. Do you feel that the interaction between MTN Ghana limited and its customers is the best?
5. What can be done better from MTN's perspective regarding the relationship quality with customers?
6. According to you, what can be improved by MTN regarding the product/service quality?
7. Have you (MTN Ghana) benefited from the implementation of the CRM system (software)?

APPENDIX A

QUESTIONNAIRE FOR CUSTOMERS

UNIVERSITY OF CAPE COAST

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT STUDIES

This research is being conducted by a student from University of Cape Coast towards the accomplishment of a Master's Degree Programme (MCOM Marketing). The study topic is "Customer Relationship Management and Customer Satisfaction: A study of MTN Ghana Limited". You are assured of full confidentiality, privacy and anonymity of all information that will be given by you. You should, therefore, feel free to give the researcher the right information to ensure the success of this study.

Section A: Customer Expectation

- (1) Before you purchased a product from MTN Ghana limited, you probably knew something about that particular product. Now, think back and remember your expectations of the overall quality of the product. Please, give a rating on a 10-point scale on which '0' means 'no agreement', and '10' means 'strongly agree' to the statement "I had high expectations for the overall quality of the product/service".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

- (2) Using a 10-point scale on which now '0' means 'no agreement', and '10' means 'strongly agree', please, give a rating to the statement "I expected the product/service to meet my personal requirements".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

- (3) When purchasing the product/service from MTN you probably thought about how often things could go wrong with the product/service you purchased. Using a 10-point scale on which '0' means 'no agreement', and '10' means 'strongly agree', indicate your rating to the statement "I did not expect the product/service to go wrong often".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

Section B: Perceived Quality

I want you to think about your actual experience with the product/service. The next two questions deal with how well the product/service met your personal requirements, and how often things go wrong with the product/service.

(4) Please consider all your personal experiences in the past with your product/service. Using a 10-point scale on which **'0'** means **'no agreement'**, and **'10'** means **'strongly agree'**, indicate your rating to the statement "I rate the quality of the product/service very high".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

(5) Now thinking about your personal requirements for the product/service you purchased, such as the product/service features or attributes. Please indicate how well your product/service has actually met your personal requirements. Using a 10-point scale on which **'0'** means **'no agreement'**, and **'10'** means **'strongly agree'**, give a rating to the statement "The product/service meets my personal requirements".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

(6) Please think about how often things go wrong with the product/service, regarding such things as product features. Using a 10-point scale on which **'0'** now means **'no agreement'**, and **'10'** means **'strongly agree'**, give a rating to the statement "The product/service does not often go wrong".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

Section C: Perceived Value

I want you to consider the value of your product/service in terms of both price and quality/quality and price.

(7) Given the quality of your product/service, indicate your rating to the statement “The price I pay for the product/service is fair. Please use a 10-point scale on which ‘0’ means ‘no agreement’, and ‘10’ means ‘strongly agree’.

No agreement Strongly agree
 0 1 2 3 4 5 6 7 8 9 10

(8) Given the price(s) you paid for your product/service, please indicate your rating to the statement “I receive as much quality as the price I paid for the product/service.” Please use a 10-point scale on which ‘0’ means ‘no agreement’, and ‘10’ means ‘strongly agree’.

No agreement Strongly agree
 0 1 2 3 4 5 6 7 8 9 10

Section D: Relationship Quality

(9) I want you to think about your general satisfaction of the relationship quality with MTN Ghana limited. Using a 10-point scale on which ‘0’ means ‘no agreement’, and ‘10’ means ‘strongly agree’, give a rating to the statement “I am not satisfied with my relationship with MTN”.

No agreement Strongly agree
 0 1 2 3 4 5 6 7 8 9 10

(10) Using a 10-point scale on which now ‘0’ means ‘no agreement’, and ‘10’ means ‘strongly agree’, please give a rating to the statement “I am not committed to the relationship with MTN”.

No agreement Strongly agree
 0 1 2 3 4 5 6 7 8 9 10

(11) Using a 10-point scale on which now **'0'** means **'no agreement'**, and **'10'** means **'strongly agree'**, indicate your rating to the statement "I do not trust MTN".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

(12) Using a 10-point scale on which now **'0'** means **'no agreement'** and **'10'** means **'strongly agree'**, please give a rating to the statement "I often wish I had not gotten into relationship with MTN".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

Section E: Customer Satisfaction

Satisfaction includes many things. Let's move on to your overall satisfaction with your product/service.

(13) Please consider all your experiences to date with your product/service. Using a 10-point scale on which **'0'** means **'no agreement'**, and **'10'** means **'strongly agree'**, indicate your rating to the statement "I am not satisfied with MTN product/service".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

(14) Considering all of the expectations that have been discussed, please using a 10-point scale on which **'0'** means **'no agreement'**, and **'10'** means **'strongly agree'**, give a rating to the statement "The product/service has fallen short of my expectations".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

Section F: Customer Complaint

I want you to think about any communication you may have had with MTN Ghana limited, regarding complaints about your experience.

(15) Have you complained to MTN Ghana limited within the past few months?

1. Yes 2. No 3. Don't know 4. Refused

If yes, please answer question 17 and if no, move to question 20.

(16) When you called MTN customer service representative recently, was your wait on hold before speaking to a customer service representative?

1. Yes 2. No 3. Don't know 4. Refused

If yes, please answer question 18 and if no, jump to question 19.

(17) When you called MTN customer service representative recently, using a 10-point scale on which '0' means 'no agreement', and '10' means 'strongly agree', give a rating to the statement "It does not take long for MTN to respond".

No agreement Strongly agree

0 1 2 3 4 5 6 7 8 9 10

(18) How well, or poorly, was your most recent complaint handled? Using a 10-point scale on which '0' means 'no agreement', and '10' means 'strongly agree', give a rating to the statement "MTN does not handle complaint well".

No agreement Strongly agree

0 1 2 3 4 5 6 7 8 9 10

Section G: Customer Loyalty

(19) The next time you are going to purchase a product/service, using a 10-point scale on which '0' means 'no agreement', and '10' means 'strongly agree', indicate your rating to the statement "I am likely to buy the product/service again".

No agreement Strongly agree

0 1 2 3 4 5 6 7 8 9 10

(20) Using a 10-point scale on which '0' means 'no agreement', and '10' means 'strongly agree', give a rating to the statement "I am likely to recommend the product/service to a friend".

No agreement Strongly agree
0 1 2 3 4 5 6 7 8 9 10

(21) Imagine you are dissatisfied with an MTN product/service or customer service, using a 10-point scale on which '0' means 'no agreement', and '10' means 'strongly agree', indicate your rating to the statement "I am not likely to leave/switch to other network".

No agreement strongly agree
0 1 2 3 4 5 6 7 8 9 10

Section H: Demographic Characteristics

(22) What is your age, please?

[18 to 60].....

Don't know Refused

(23) Sex [] female [] male

(24) What is the highest level of formal education you completed?

[] Junior High School [] Senior High School [] Graduate Degree []
Post-graduate Degree

[] Don't know [] Refused