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CUSTOMER CENTRIC APPROACH AS A STRATEGIC TOOL IN TELECOMMU- NICATION INDUSTRY

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Nykyisellä kehittyneen teknologian aikakaudella perinteiset markkinoinnin tavat ovat katoamassa bisnesmaailmasta. Kuluttajien lisääntyneen voimaantumisen takia tieto- ja myyntimarkkinointia ei ole enää olemassa. Kuluttajilla on mahdollisuus löytää tietoa, välttää markkinointia ja jakaa mielipiteitään muiden kanssa. Asiakaskeskeinen markkinoinnin lähestymistapa asettaa asiakkaan kaiken analysoinnin ja päätöksenteon keskelle sallien yritysten ymmärtää asiakkaiden moninaista käytöstä ja mieltymyksiä. Luomalla suhteen asiakkaisiin tiedetään paremmin, mitä asiakkaat haluavat ja näin ollen heidän tarpeensa voidaan tyydyttää. Yritys tarvitsee hyvät suhteet heidän asiakkaisiinsa, jotta saadaan tärkeää tietoa segmentointiin. Asiakkuudenhallinta, joka sisältää asiakaskeskeisen lähestymistavan ja asiakastyytyväisyyden, ovat tämän opinnäytetyön pääaiheet. **Asiakkuudenhallinta on ihmisten, prosessin ja teknologian integroituminen kontekstissa asiakaskeskeisyys, monifunktionaalisuus, teknologiapainotteisuus ja yritysalaajisuus.**

Tässä tutkimuksessa käytettiin sekä kvalitatiivista että kvantitatiivista tutkimusmenetelmää. Kvantitatiivinen tieto kerättiin asiakaskyselyiden kautta ja kvalitatiivinen tieto Vodafonen Ghanan markkinointihallinnon edustajan henkilökohtaisella haastattelulla.

Tulokset vahvistavat Vodafonen asiakaskeskeisen lähestymistavan, ja että ensimmäiseksi Vodafone kilpailee tarjottujen palveluiden arvon avulla. Opinnäytetyön tulokset myös vahvistavat, että hyvien interaktiivisten asiakassuhteiden ylläpito kasvattaa brändiä, kun käytetään asiakaskeskeistä markkinoinnin lähestymistapaa. Toinen saavutettu opinnäytetyön tavoite oli selvittää, kuinka tyytyväisiä Vodafone Ghanan asiakkaat olivat palveluihin, ja kuinka kuluttajat tulivat lojaaleiksi asiakaskeskeisen lähestymistavan avulla.

ABSTRACT

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In this present era of advanced technology traditional ways of marketing are fading out in the business world. With consumers empowered, information and sale marketing no longer exists. Consumers are empowered to discover information, empowered to avoid marketing and empowered to share their opinions with others. A customer centric approach of marketing is placing the customer at the centre of all analysis and decision making and allowing organizations to understand customers' diverse behaviors and preferences. Satisfying customers' needs by actually knowing what they need is established on relationships. Businesses need a good relationship with their customers in order to acquire vital information for segmentation. Customer relationship management which includes customer centric approach and customer satisfaction are the main topics of this thesis. CRM is the integration between people, process and technology in the context of customer-centric, cross functional, technology driven and enterprise-wide

Both qualitative and quantitative research method was used in this study. Quantitative data gathered were by issuing questionnaires to customers and qualitative data was also collected from personal interview from a representative from the marketing management of Vodafone Ghana.

The results from Vodafone confirm customer-centric approach from the theory where Vodafone Ghana first competing on the value of the services offered. The result of the thesis also confirms how maintaining a good interactive relationship with customers builds a great brand when using the customer centric approach in marketing. Another achieved aim of the thesis was find out to what extent Vodafone Ghana's customers satisfied with their services and also how customers become loyal through the customer centric approach.

CONTENTS

1	INTRODUCTION	7
1.1	Background	7
1.2	Research Problem	9
1.3	Aims and Objectives	11
1.4	Research Questions	11
1.5	Significance of the study.....	12
1.6	Structure of the thesis.....	12
2	THE WORLD TELECOMMUNICATION TRENDS	14
2.1	Impact of ICT on the world's economy	17
2.2	Telecommunication in Ghana	19
2.3	Definitions of Customer Relationship Management.....	20
2.4	Defining Relationship	21
2.5	Timeline of CRM.....	22
2.6	Customer Purchasing Process	24
2.7	Implementation strategy of Customer relationship management in the customer centric context.....	26
2.8	Technology	27
2.9	People.....	28
2.9.1	Organization culture.....	29
2.10	Process	29
2.11	Customer-centric.....	29
2.12	Cross Functional	30
2.13	Technology-Driven	30
2.14	Enterprise-Wide	30
2.15	Customer life cycle	31
2.15.1	Customer acquisition.....	31
2.15.2	Word of Mouth.....	32
2.16	Customer orientation.....	34
2.17	The concept of product quality	35

2.17.1	The Customer-oriented Quality Concept	36
2.18	Service quality	36
2.18.1	Service quality models	36
2.18.2	Technical and functional quality model (Grönroos, 1984)	37
2.18.3	Gap Model (Parasuraman et al., 1985)	38
2.18.4	Synthesized model of service quality (Brogowicz et al., 1990)..	39
2.18.5	Service quality, customer value and customer satisfaction model (Oh, 1999)	40
2.19	Concept and definitions of Customer Satisfaction.....	42
2.20	Perceived product and service quality	43
2.21	Customer retention.....	44
2.22	Customer Loyalty.....	46
2.22.1	Attitudinal Loyalty	46
2.22.2	Behavior Loyalty.....	46
2.23	eLoyalty	47
2.24	Customer lifetime Value	48
2.25	Calculating the Customer Lifetime Value (CLV).....	49
2.26	Customer centric approach and Customer Satisfaction	51
3	RESEARCH METHODS	54
3.1	Qualitative research	54
3.2	Population and Sampling technique.....	55
3.3	Reliability and Validity	55
4	RESULTS OF THE EMPIRICAL STUDY	57
4.1	Case Company Presentation	57
4.2	Analysis of Customer Care personnel at Vodafone Ghana	62
4.3	Qualitative Analysis of Data collected from Management Staff	65
5	CONCLUSIONS AND ASSESSMENT	69
5.1	Research limitation	70
5.2	Reliability.....	70
5.3	Further studies.....	71
6	REFERENCES	72

LIST OF FIGURES

- Figure 1.0 Mobile phone subscription per 100 inhabitants
- Figure 1.1 Active mobile-broadband subscriptions by region
- Figure 1.2 Percentage of household with internet access
- Figure 1.3 Global Telecommunication Revenue
- Figure 1.4 Integration of front-end customers with back-end systems
- Figure 1.5 Service encounter ranging from high-contact to low contact
- Figure 1.6 The Pillars and process of customer relationship management
- Figure 1.7 Percentage of WOM rated highly credible
- Figure 1.8 Interaction of factors that influence customer orientation and customer satisfaction.
- Figure 1.9 Technical and Functional Models
- Figure 2.0 Gap Model
- Figure 2.1 The synthesized model of service quality
- Figure 2.2 Service quality, customer value and customer satisfaction model
- Figure 2.3 Practical models for the effects of perceived product quality, service quality and price fairness on consumer satisfaction and consumer loyalty
- Figure 2.4 Customer retention conceptual frames
- Figure 2.5 eLoyalty Matrix
- Figure 2.6 Seven step process to measure customer lifetime value.
- Figure 2.7 Usage of customer service call unit or center
- Figure 2.8 How frequent the customer service call unit is contacted.
- Figure 2.9 Percentage (%) the challenges customers face using Vodafone Ghana's products and services.
- Figure 3.0 Percentage of respondents Vodafone Ghana follow up on customer's problems and issues.
- Figure 3.1 Represents levels of customer satisfaction to the response of complaints.
- Figure 3.2 Types of call/ Text customers received from Vodafone Ghana.
- Figure 3.3 Complaint beyond service personnel ability to rectify the problem

1 INTRODUCTION

1.1 Background

Lately, keen competition in the telecommunication industry has been as keen as other business industries or sectors. Most companies are finding it difficult to distinguish their market from their competitors. Companies with intentions of leading fierce competition use customer relationship management (CRM) by concentrating on creating satisfied customers and long lasting relationships.

Businesses are becoming customer strategy enterprises by using information from CRM to gain a competitive advantage which results in growth and profit. There are two sources of competitive advantage; to gain more knowledge about customers faster than the competition and the ability to use that knowledge into action faster than competition.

According to Peppers (2011, 6) CRM is a technology or software solution that helps track data and information about customers to enable better customer service. Again, other executives think CRM is one to one as a develop marketing or customer service discipline. Data and information gathered by software of CRM enables the firm to channel all marketing activities to the customer which is referred as customer-centric approach of marketing.

Constant technological development is fundamentally changing the way businesses deal with marketing content. Businesses are puzzled on how to find the balance between customer-centric approach and product centric approach in the customer relationship context. Striking the right balance between the two marketing approaches depends on what business leans on. Customer-centric approach in simple words means understanding customer's point of view and respecting customer's interest by handling complaints, fixing problems and remembering individual customer preferences. However, product-centric approach can also be defined as having a superior new or modified product to meet a certain customer's needs and acquiring as many customers as possible who want to have that need met. Previ-

ous surveys on CRM consider product-centric theory as a better marketing approach to increase sales than the customer-centric approach of marketing. Product-centric invests engineering innovations to produce that unique or superior product which increase market share and eventually increase sales. Of course increasing sales is the main aim of every firm but the question is “does market share last long enough?” we will know later in the theoretical framework.

Also, findings from other surveys also suggest that product-centric and customer-centric should be used to complement each other depending on the industry the business operates in order to increase sales, both market and customer share and customer lifetime value. These are some of the industries both product-centric and customer centric could be adapted; chemical, Pharmaceutical, cosmetics, real estates, textile, technological industry and many others. Unfortunately with service industries both approaches might not be compatible even though most service industry offer complementary product with their services. Findings from both theoretical and empirical frame work may advice other firms on which 2

Since our case company Vodafone Ghana (Circle branch) offers mainly mobile and internet services to both B2C and B2B customers, the focus of this thesis is to find out how customer centric approach is managed. Is it therefore impossible to focus on customer centric approach without acknowledging customer relationship management, where customer life cycle is the essential processes of CRM. Customer life cycle includes customer acquisition, customer orientation, product and service quality, customer satisfaction, customer retention and customer loyalty. Also measuring of the customer-centric approach depends on customer share and customer lifetime value. All these concepts will be explained later on in the theoretical framework to give a better overview of the customer-centric approach of marketing in the CRM context.

Customers are indeed the most important factor in all businesses. They are the resources upon which the success of the business depends. Basically it's the purpose of any organization is to fulfill the needs of the customers. Unfortunately, there is therefore no such measurement of scale to detect the level of customer satisfaction

in the service sector of a business. Customers have also changed over the years and want to be dealt with distinctively individual preferences. They would negotiate specifically with businesses how they want their products to be tailored, supplied and sustained. Moreover, in case of ordering, a customer wants to be treated with respect. Customers are becoming more demanding; they want better services, better products and better value for their money.

1.2 Research Problem

Customer Relationship Management (CRM) requires a customer-centric approach that aligns business strategies with customer needs to generate profit through maximizing customer lifetime value. Many business managers implement CRM technology without addressing the customer-centric strategic orientation that must be present for CRM to be successful. Developing and implementing organizational capabilities that enable a customer-centric business model creates structural and integration challenges. Many managers and marketers overlook to commit to the required transformation. There is quite little known about the concept customer-centricity; however there is plenty of room for the improvement in both strategy and improvement.

An overview of previous research shows different meanings of customer relationship management and how customer-centric approach of marketing is implemented depending on the perspective a writer is targeting. Some research focus on CRM as consumer database where organizations invest in consumer data warehouses. Over the years, technology has been changing everything: now management uses CRM software to record and track the performance and productivity on how much revenue is generated. Customer-centric approach investing in database marketing, such as customer profiling, customer segmentation, customer scoring, customer retention, cross-selling, Up-selling marketing techniques all utilize a consumer database.

According to Kincaid (2003, p.41) defines CRM as “the strategic use of information, processes, technology, and people to manage the customer’s relationship

with a company across the whole customer life cycle.” CRM can be divided into two parts. One focuses on the process of management and the other focuses on technology such as software application which assist accomplish the process. There is a correlation between the two parts. The process of management can be seen from the technology and the technology also affects the way of management.

The aforementioned highly competitive mobile telecommunication industry has not only made companies to promote their services quality, but also advance on their marketing core strategy from increasing to keeping their already existing customers by developing and optimizing customer relationship management. Businesses are switching from a product-centric approach to a customer-centric approach in order to maintain long-lasting relationship with their customers. In the telecommunication industry most businesses implement customer-centric approach to have higher returns on capital invested.

Customer satisfaction cannot be overlooked in optimizing customer relationship management. According to the National Communications Authority (NCA) despite the growth and expansion recorded in the industry, “the quality of service is anything but good”.

In view of the above, another problem of this study: are customers satisfied with the service quality delivered by Vodafone within Ghana?

Also, how Vodafone utilize customer-centric approach of marketing to satisfy customers?

Communicating with customers allows companies to know their customers’ needs. A failure in service delivery is a significant challenge for service businesses. Ian Zafira, a vice president of CRM Account management division of SPi Global, quotes how delayed response time is causing businesses to lose clients. Ian Zafira, therefore, cited a statement meaning that the quality of your communication is more important than quantity. Delayed response time infuriates the customer and cause might businesses to lose their customers. This is not new to telecommunications in Ghana, previous research on MTN the leading network pro-

vider, shows that customers were dissatisfied with how prompt their complaints were rectified. Sometimes it takes hours to get in touch with the customer service point, not ending there; their problems are mostly unsolved. Even if solved, it takes several days to solve them. This is one aspect of the short comings in the telecommunication industry in Ghana which will be addressed and made known to Vodafone Ghana.

This thesis will assess and analyze the implementation customer-centric approach in the CRM context of Vodafone Ghana and with emphasis on customer satisfaction and how they manage to maintain a long lasting relationship with their customers.

1.3 Aims and Objectives

The aim of the thesis is to show the present type of customer-centric approach in the CRM context of the case company and to what extent their customers are satisfied with their services and to offer new ideas to improve the customer service at Vodafone Ghana. The sub objectives of this thesis are to show how potential customers become loyal customers through the customer centric approach at Vodafone Ghana.

1.4 Research Questions

For the aforementioned problems and aims, the research is to investigate answer to the following question;

How does Vodafone Ghana acquire new customers?

How does the case company retain, and maintain long lasting customers in order to optimize revenue?

What is a good relationship between a company and a customer? How could the relationship be improved?

How does a potential customer become loyal to the case company?

Are customers satisfied with the services of Vodafone Ghana?

Which aspects of service quality is important to customers?

How promptly are customer's complaints solved?

Also, how Vodafone utilize customer-centric approach of marketing to satisfy customers?

Since customers are the most important factor in all businesses, the more a business keeps its customers, the more beneficial they become. However, companies must invest in CRM in order to focus, acquire, retain, and maintain a long lasting customer relationship.

1.5 Significance of the study

The significance of this study is to know how to implement customer-centric approach in the telecommunication industry especially in developing countries in the CRM context. Another importance of this research is to improve the service quality of the telecommunication industry in Ghana.

1.6 Structure of the thesis

This thesis is divided into five main chapters; Chapter 1, which is the introduction, entails the background information about the topic, problem statement, aims and objectives, definitions and limitations.

Chapter two, the theoretical framework of the thesis, addresses issues such as customer relationship management, global telecommunication, customer acquisition, customer satisfaction, customer retention, customer loyalty, word of mouth, business to business management, and customer lifetime value. Chapter three addresses research methods to obtain the empirical results where the sources of data collection methods are presented.

Chapter four, analysis of data and discussions of findings. Finally, chapter five is the summary, conclusion, recommendation and it also presents future surveys related to the research topic.

2 THE WORLD TELECOMMUNICATION TRENDS

A critical study of the tendencies in the world telecommunication reports an increasing growth rate in the world wide mobile network subscribers and the internet (but, on the contrary less usage of fixed lines in the last two decades).

From the data presented by the ITU's annual report which measures the information society for the year 2013 ranks Denmark as the world's most advanced ICT economy, which is followed by the republic of Korea, Sweden, Iceland, the United Kingdom, Norway, the Netherlands and Finland. The data reports clearly that the Scandinavian region is doing excellently in terms of ICT.

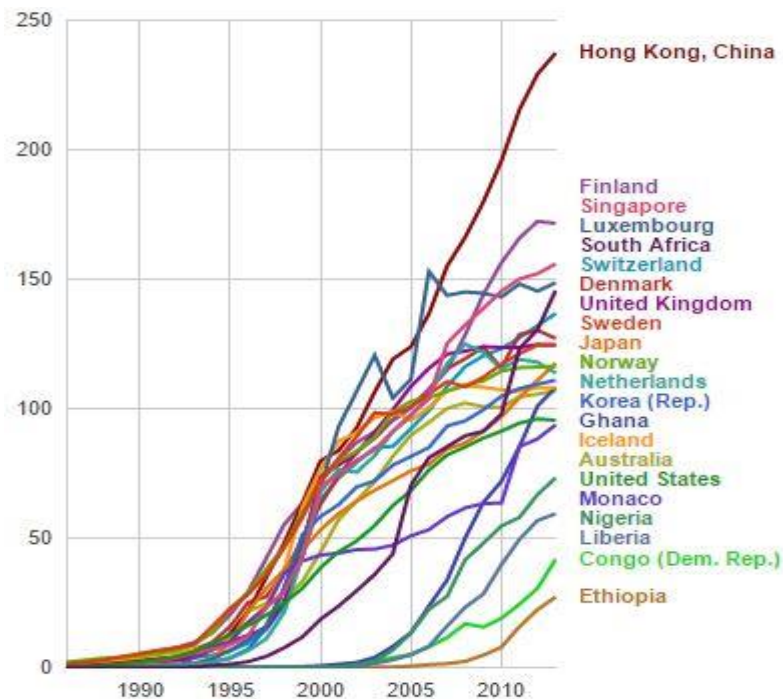


Figure 1.0 Mobile phone subscription per 100 inhabitants (source: the ICT development index 2013).

In recent years the developing countries have made some relevant progress in ICT development. The bridge, which is also referred to as 'digital divide' in ICT between developed and developing countries is evidently at a quick pace closing up. Good performers include Brazil, Bahrain, Ghana, Kenya, Rwanda and Saudi Arabia. In the mobile sector, the developing countries, now account for a good share

of the world's market growth. By the end of 2014, developing country markets on mobile-cellular subscription recorded a global total of seven billion mobile subscriptions, where both India and China each reports one billion subscriptions (Figure 1).

Mobile subscription is growing relatively fast in the developing countries but there is still an enormous gap between the developed and the developing countries. This rise is as a result of accessible and even more affordable devices such as smart phones and also various offers in the market. As said earlier on, the gap remains huge as mobile broadband in the developed countries is 84%, compared with 21% in the developing countries. Figure 1.1 shows the mobile-broadband subscription per 100 inhabitants in every region and the world as a whole. In Europe per every 100 inhabitants there is an average of 63.8 inhabitants with a mobile-broadband subscription, whereas Africa is the lowest with 19 inhabitants using mobile-broadband subscription per 100 inhabitants. Over the years by ITU Telecommunication the world mobile-broadband subscription per 100 inhabitants is 32 inhabitants, which was reported as an increment. Nevertheless, Africa stands out with a growth rate of over 40% which is as twice higher as the global average. Nigeria and South Africa with a higher population growth influenced the rise in mobile subscription, where 37% and 29% respectively in country's mobile broadband penetration in Africa.

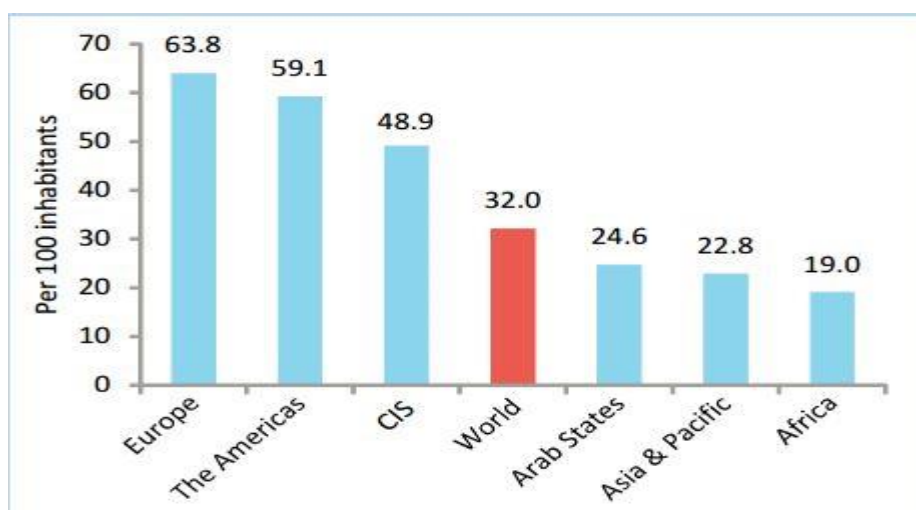


Figure 1.1 Active mobile-broadband subscriptions by region. (Source: ITU Telecommunication/ICT Indicators database 2015).

The ICT service displays mobile broadband as its continuing sharpest growth rates. Statistically, in recent years growth in mobile-broadband services continued at 40% globally and 78% in the developing countries.

Telecommunication and the internet are basically becoming more affordable. With regards to the report's ICT Price Basket (IPB), which compasses 161 economies, along with the average cost of a fixed telephone, mobile-cellular and fixed broadband internet services, the price of ICT services globally decreased by 30% between 2008 and 2011, with a huge reduction in fixed-broadband internet services with an average price falling by 75%. As of date, fixed-broadband services in most developing countries remains too expensive: the monthly fixed-broadband package was over 40% of monthly gross national income (GNI) per capita by the end of 2011 and 1.7% in developed economies.

One up and coming development is the rise of mobile-broadband services. Mostly in the developing countries, mobile broad is easier to access and has a wide coverage which has an enormous growth over the last few decades. Lately, Mobile-broadband services have become less costly than fixed-broadband internet services and this is expected to increase the use of the internet, which remained at 32% globally and 24% in the developing economies at the end 2011.

By the end of 2013, 40% of household globally had internet access, this was a positive difference as compared to 30% in 2010. Internet access is still on the rise globally; by the end 2014 44% household worldwide will have an internet connection at home. 78% of households at the moment in the developed economies have internet access; in comparison to 31% in the developing countries and only 5% in the 48 UN least developed countries. Figure 1.2 below shows clearly how household internet access has been increasing rapidly over the years

The increase of mobile broadband usage in the developing countries has caused the internet to gain a great number of new users. Irrespective of the downward trend, prices continues to be relatively high in many low-income economies. As of December 2014, 90% of the 4.3 billion people not using the internet live in the developing countries. 25 billion people live in the Least Connected Countries (LCCs) which mostly have large rural populations and having access to ICT is still out of reach for people living in those areas.

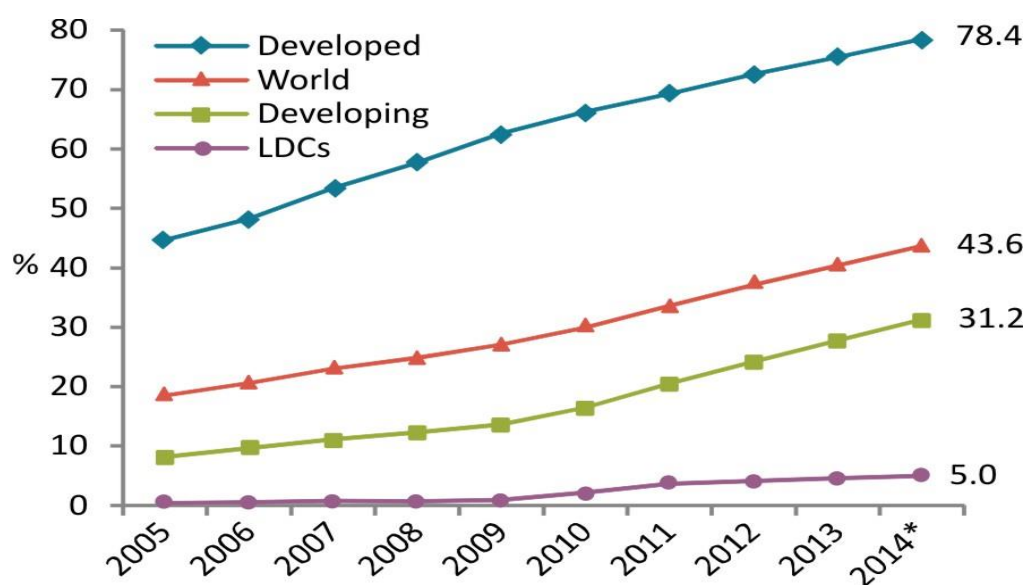


Figure 1.2 Percentage of household with internet access by level of development (Source: ITU Telecommunication/ICT Indicators database 2015).

2.1 Impact of ICT on the world's economy

In the 2013 report ICT has become a major determinant to economic growth. In 2010, worldwide ICT goods exported was 12% of the world merchandise trade, and to an extent of 20% in the developing countries.

In 2012, the total telecommunication revenue was dormant at around USD 1.88 trillion, or 2.7% of world GDP (Figure 1.2). There are some signs of improvement in the developed countries during the financial crisis in 2008-2009 but, unfortu-

nately, returned to negative growth in 2012. On the contrary, the developing countries experienced of 4 % growth rate in telecommunication revenue in 2012, where there was a global revenue decrease in 2012. This shows a stable progression of telecommunication revenues in the developing countries from 2007 - 2012, beside the slight decrease in 2008. The share of the developing countries total telecommunication revenues rose from 26% in 2007 to 32% in 2012, thus proceed towards their share of 36% of the global GDP. This gives evidence to the growing importance of the telecommunication sector in the economic of the developing world.

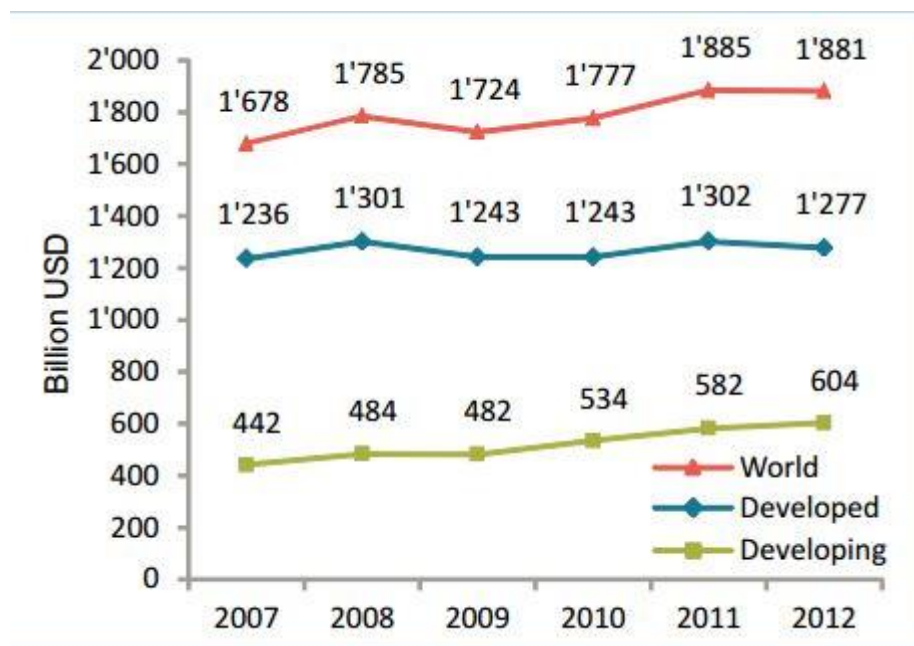


Figure 1.3 Global Telecommunication Revenue (Source: ITU World Telecommunication 2015)

In 2012, the global investment in telecommunications also increased by 4% to USD 307 billion. Irrespective of the constant progress since 2010, the 2008 investment heights have not been reinstated. The recovery of the telecommunication investment has been hindered by the situation in developed countries, where the decrease experienced in 2008 was intense which continued in 2009. There has been a steady investment in telecommunication infrastructure and service in developing countries. As a result of this, 2008 investment level has been restored by

2011 which at the end 2012 was an all-time high of USD 121 billion. In 2012 the developing countries' share in total investment was about 40%.

2.2 Telecommunication in Ghana

Ghana is located on the West Coast of Africa. The first telecommunication project took place in 1975, where negotiation from Post and Communication Corporation (P&T) with the Government of Ghana, World Bank, Japan, the African Development Bank, and Canada to finance a \$76 million development project by modernizing and expanding both national and international telecommunication service in the Ghana. The Second Telecommunication Project (STP) was initiated in 1987 where one of the few accomplishment of further rehabilitation and expansion of Ghana's switching network in thirteen urban centers and twenty-six rural communication services. (Francis K. A. Allotey and Felix K. Akorli, 2000)

After the Deregulation of Ghana's telecommunication industry in 1994 with a five year Accelerated Development Program (ADP), private internet and mobile providers were introduced to improve on the telecom network services fierce competitions in the telecom environment. The five year ADP had objectives to ensure sustained improvement in the availability, reliability and quality of communication service and create more job opportunities in Ghana.

The telecommunication sector is regulated by National Communication Authority (NCA) and the Ministry of Communications in Ghana. The NCA grants licenses and authorizations for operation of communication system and services. Also the NCA assigns, allocates and regulates the use of frequencies in conformity and development strategies for the communication industry, ensure fair competition among licenses, establish and monitor quality of services indicators for operators and service providers (National Communication Authority, 2014).

Ghana's Telecommunication Industry comprises of MTN, Vodafone Ghana, Airtel, Tigo, Expresso, and GLO. According to National Communication Authority (22nd September, 2014), at the end of September 2014, the total number of subscribers in Ghana increased from 29,531,488 as at the end of August 2014 to

29,815,213 as at the end of September 2014. The mobile network has increased statically over the years which makes network companies improve on their service quality in order to survive the high competition in the industry. MTN Ghana, with the largest number of customers maintain its lead with 45.44%, followed by Vodafone increasing from 22.65% to 23.04% users, Tigo reported 13.6%, Airte 12.71%, GLO and Expresso 4.95% and 0.40% users respectively.

2.3 Definitions of Customer Relationship Management

CRM is the one of the most dynamic strategies and technologies use by firms over the years. The term customer relationship management has existed from the 1990's. As mentioned in the introduction of this thesis, there have been a lot of attempts to define CRM. According to Roberts-Phelps, CRM is an outlook, approach and value that are placed on a business and its relationship with its customers. Roberts-Phelps et al go on further that CRM is a technique, a way of creating and evolving your organization in the marketplace and at the same time in the mind of each individual customer. (Roberts-Phelps, Graham, 2001)

Fjermestad, Jerry, and Romano, Nicholas (2006) also considers define CRM to be a business strategy to acquire and manage a relationship with customers in order to maximize long-term relationships. CRM aims to increase the loyalty of profitable customers and to increase the profitability of loyal customers. (Fjermestad, Jerry, 2006)

To Greenberg, CRM is simply to increase transactions between a firm and its customer by using a set of philosophies and, business strategies technologies in order to build a long lasting relationship. CRM does end with building a long lasting relationship and customer loyalty but it starts from a good interpersonal relationship between the management and employees. (Greenberg, 2003)

Over the years, firms rely on the best brands to gain competitive advantage over their competitors. Recently the evolution of CRM has brought an interactive peri-

od with a customer which is known as branded relationship. Branded relationship; knowing what customers prefer from the information collected and the brand itself helps firms gain competitive advantage. Peppers et al (2011) also view CRM as a technology or a software solution that helps track data and information about customers to enable better customer service. Relationship marketing compliments customer relationship management. (Peppers et al, 2011. 4-7).

Evert Gummesson (2008) explains the difference between customer relationship marketing and customer relationship management. Gummesson states customer relationship marketing as relationship marketing (RM) as “an approach to develop long-term loyal customers and thus increasing profitability; its interaction in networks of relationships.” While Customer relations management CRM is the values and strategies of RM; with special emphasis on the relationship between a customer and a supplier, turned into practical application and dependent on both human action and information ”(Evert Gummesson, 2008)

2.4 Defining Relationship

Relationships are the roots of human behavior. Without relationship people will be secluded from society. Alexandre Dumas (1802-1870) in *The Three Muskateers*, quotes that “All for one, one for all that is our device.” Relationships are more valuable than machinery in a factory, a warehouse or the employees who work for a firm. Irrespective of the type of business, a company needs relationships to thrive in any industry. Relationship with customers makes a business more enlighten about that specific customer that competitors have no idea about. Therefore, the business can satisfy the customer in a way that other competitors cannot. Customers would also, on the other hand, acknowledge the value of their money and become loyal customers. All customers, people everywhere, would like to exclusively and personally serve. (Peppers, Don, and Rogers, Martha, 2011)

2.5 Timeline of CRM

This section outlines the stages of development of CRM from the 1990's until now. CRM has practically developed from a tactical marketing tool to a strategic aspect of all marketing decisions. There has been an enormous increase in the implementation of CRM in almost all industries. The timeline goes through the stages of Functional CRM, customer Facing Front-End Approach, strategic approach, Agile and Flexible Strategic CRM.

Initial Generation

This first generation of CRM can also be known as functional CRM, which offers contrary set of activities such as Sales force automation (SFA) and Customer Service and Support (CSS).

SFA software used to manage the relationships between a business and its customer where sales processes, keeping future and customer data, sales task are managed.

The purpose of CSS is to manage after-sales activities where contact and call centers, help desks and field service support are offered to satisfy the customers' needs.

Also another business management software tool known as Enterprise Resource Planning (ERP) was introduced in the 1990s; this was an all-round software for managing business activities. ERP is basically a system of integrated applications used by firms to gather, accumulate, manage, and interpret data from various business activities such as product development (cost), manufacturing and service delivery, marketing and sales, inventory, shipping and payment.

Second Generation (Customer Facing Front-End Approach)

During the 1990s, the ERP could not fill the gap of accumulating lots of information to know what the customer actually needs. CRM technology was used to acquire all the necessary data from the customers irrespective of the purpose of

contact such post-sales service, pre-sales, sales transactions. Unfortunately, greater parts of the above-mentioned goals were not reached leaving a discouragement with CRM technology and implementations. (See Figure 1.4)

Third Generation (Strategic Approach)

The strategic approach was initiated during the third generation (2002) of CRM tools. The CRM market started to improve at the end of 2002 where the gap customers' perceived value and value realized was closing. Some businesses began to emphasize on fusing a customer-facing front-end system used by partners and suppliers. High level of technology in this era also improved CRM to increase revenue. Lots of businesses discovered that instead of blindly applying a technology based solution not just to control cost, they could have an advantage by adopting a strategic CRM approach to increase revenue.

The fourth generation (Agile and Flexible strategic CRM)

The beginning of the fourth generation of CRM tool place at the end of the 2010. Many small and medium sized companies accepted this management tool and its complementing technologies to manage their business. The key approach is taken into consideration are agility, flexibility and low fixed costs. Social media exposure and improvements in self-service together with an increased frequent use of web-based services signify that customer empowerment is an ideal topic.

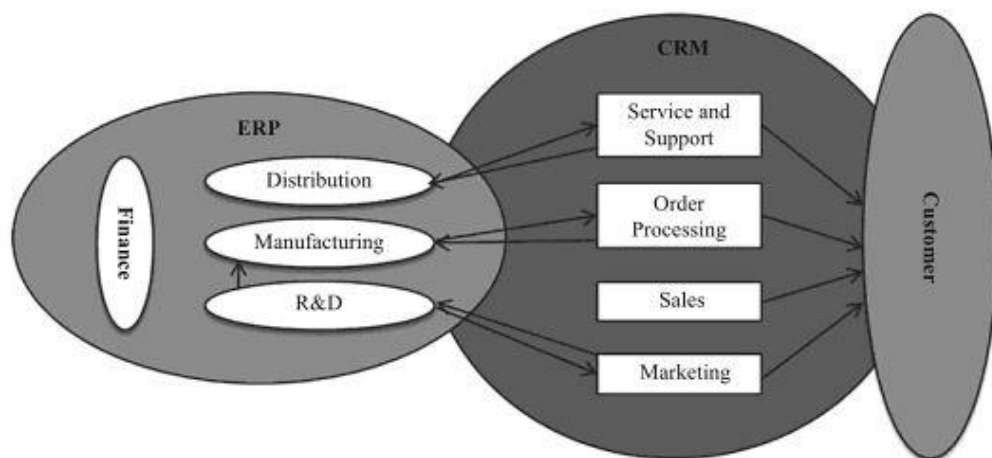


Figure 1.4 Integration of front-end customers with back-end systems (Source: V. Kumar, Werner Reinartz, Customer Relationship Management).

Defining customer

Customers do not just buy products and services but most importantly benefits. Customers are simply the final-users of a product. They buy benefits made up of goods, services, know-how, information, systems, and technology. Customer perceived service is the value which provides benefits to these customers. According to the final analysis, irrespective of what a firm produce it provides services to its customers. They are always looking for value from these products or services. (Christain Gronroos, 2000)

2.6 Customer Purchasing Process

Knowing the process a customer goes through before the final purchase is very important in customer-centricity and CRM as whole. According to researches there are five stages in the customer decision making process in the majority of purchase circumstances, specifically: need acknowledgement & problem recognition, information search, evaluation of substitute and purchase and post-purchase evaluation (Kotler & Keller 2006). Fundamentally the three-stage model of service consumption: Pre-purchase stage, encounter stage and post encounter stage

Pre-purchase: This phase comprises of four main components. This consists of awareness of needs, information search, assessment of alternative and decision on service purchase. The basic concept of the pre-purchase stage is considering service attributes, considering risk, service expectations, and finally purchases decision. Customers will look for services to satisfy that need when the need is known.

Service-encounter: This phase is also known as the moment of truth where there is intercommunication between the customer and business about a service or product for the first time. They are also transactional interactions where the front desk of a firm offers products or services to potential customers. At this stage cus-

customer relation begins irrespective of the outcome of the interactions. Service encounter ranges from high contact to low contact depending on the kind of services a business renders to its customers whether its emphasis is on the encounter with a physical service element with the service personnel. Figure 1.5 shows clearly the range of company service encounters from high-contact to low contact ones.

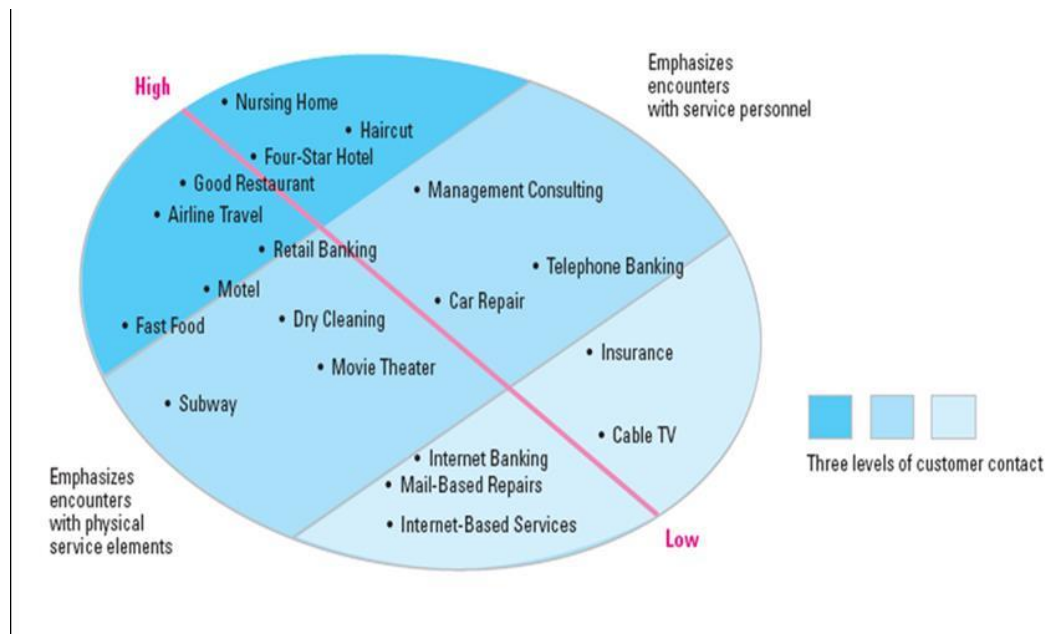


Figure 1.5 Service encounter ranging from high-contact to low contact (source: Lovelock, Wirtz, and Chew 2009)

Post-encounter: This is the assessment of the performance of the service experienced and its effect on future intentions by the customer. This stage is when customers become satisfied or dissatisfied and choose to stay loyal customers or the contrary. All customers have expectations prior to consumption, then they observe service performance and finally compare it to their expectations.

In the telecommunication industry, mobile telecom market to be precise, as soon as a potential customer buys a SIM card and activates it, the network operator becomes the customer's subscriber to that specific network. The customer's choice to purchase and the decision making process have a very significant effect on customer satisfaction, re-buying, positive or negative word of mouth about the prod-

uct or service and switching intentions. Customers' decision to stay loyal to the business or switch to another network transpires on number of factors protruding on their satisfaction level of the service quality delivered to them.

2.7 Implementation strategy of Customer relationship management in the customer centric context

According to Kumar, Petersen, Viba, and Andrew (2012), the execution of customer relationship strategy is a continuous process of developing and carrying out a series of small tasks intended at satisfying the needs of customers. Technology, Organization and personnel are the three main factors to implement CRM strategies.

Schmitt and Bernd calls CRM as the customer-oriented approaches where a company utilizes direct mail, and customer interaction centers (CICs). Marketing concept, customer satisfaction and CRM all have limitation and the new approach is Customer Experience Management Schmitt and Bernd highlighted (2010, 15-19). Customer Experience Management is basically the method of tactically managing a customer's integrated experience with a product or a business entity.

Also Williams and David also named the implementation of CRM strategy as connected customer relationship management (cCRM). These authors goes further to define cCRM as systematic technique of classifying, serving, retaining customers depending on their value, by means of integrated customer interactions that promote financial returns, generate competitive advantage and urge shareholder value.

To Gordon; the business world is changing at every point in time; capabilities could be more significant than strategies considering that capabilities enable strategies. A business' strategic relationship management plan could consider capabilities such as cultural value, leadership, technology, customer knowledge and awareness, people and process. (Gordon, 2013)

Raab, Gerhard, Ajami et al., (2008) also narrows down the implementation strategies of CRM to these three pillars; the company's personnel, the technology of a firm and also the organizational structure.

After comparing previous related research strategies of CRM these factors will be discussed in relevance of this study the figure 1.6 below outlines the three key dimension of CRM which are technology, people and process within the context of customer centric, technology driven, cross functional, and enterprise wide. It is also important for a firm to know its customer life cycle which shows processes how customers are acquired, the satisfaction of customers, how to retain customers and finally which customers become loyal.

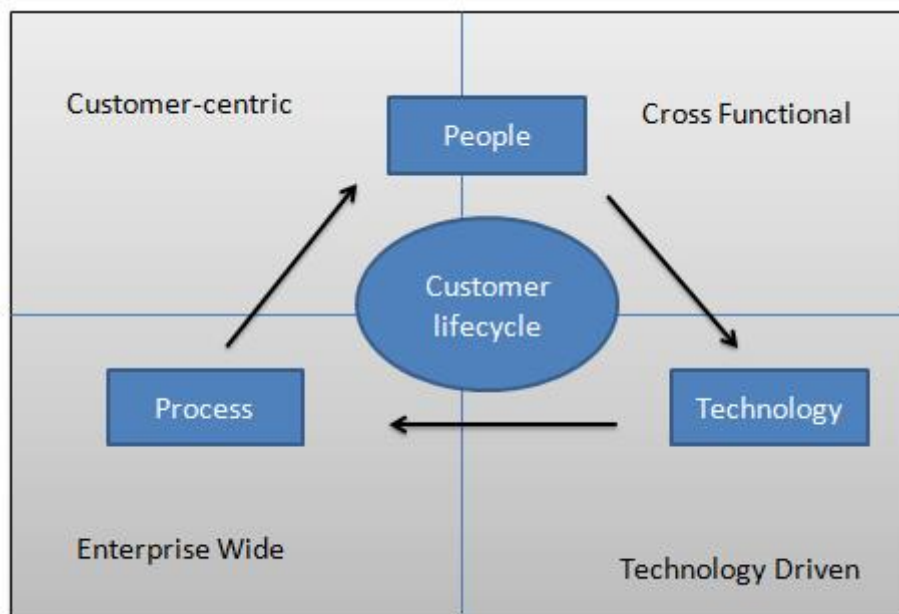


Figure 1.6 CRM Implementation Model (Source: Chen and Popovich, 2003)

2.8 Technology

Databases are essential yet an advance in technology is of paramount importance to the success of CRM processes. Technology has enabled businesses to break away from traditional ways of carrying out business transactions. Technologies like voice over social networking, speech recognition and internet protocol applications have improved relations with customers. The results of this advancement

of technology, CRM analyst have to face modeling and data analysis which increases means of obtaining and managing customer data and challenges associated with the use of data needed for management decision-making. Businesses collect, store, evaluate and create a marketing decisions relying on the results of data analysis. Customer database is the gathering of information about a business' customers. Information of customers collected are such as; basic information (name, address, ZIP code & telephone numbers), demographic information (age, gender, marital status, education etc.) other information (inquiries & referrals, satisfaction, loyalty).

2.9 People

People refer to members in an organization including, employer, executives, and employees. People in an organization must have the full commitment and a customer-oriented approach in order to implement CRM successfully. Relationships in the organization also have a relative effect on the relationship with the customers. It first starts with the employer employee relationship, if there is a good relationship between the two then, there is a relatively positive relationship the employees and customers. The way relationships are built also depends on culture and organizational culture.

Cultural factors

Culture is a vital element in business and it influences the strategic direction of business. Over the years business culture has attained much attention in the world of business management. Research emphasizes two dimensions of culture which influence CRM; customer-focused culture and organizational culture.

Customer focused culture

Customer focused culture is a vital concept of CRM. The findings of Chen, Popovich (2003) elaborates the adaption process from the product-focused approach to the customer-focused approach. The main aim of the product-focused approach is designated to gain customers by using mass marketing efforts, while an organiza-

tion using the customer-focused approach uses customer needs to develop corresponding products and services Chang, W., Park, J.E., & Chaiky S. (2010) suggest that management should initiate a customer-focused culture in an organization. This is primarily learning and understanding of customers, and manner of serving customers according to where the organization is located. The necessary point of customer-centric culture may be a suggestive guideline in the implementation of CRM.

2.9.1 Organization culture

As individuals work together in stable units over specific period of time with learning collaboratively, share viewpoint, mutual understanding prevailing, common values shared, and attitudes an organizational culture is formed. Schein defines organizational culture as shared fundamental assumptions that a group acquired as it solved its external adaptation problems and improved internal adaptation, which has over the time worked well and is now acknowledged as effective and therefore carried on to new members as a right path to solve specific problem.

2.10 Process

Process-driven CRM builds around existing practices and rules uses data sources to enrich process (Greenberg, 2004). Key structures to ensure that customer's data are used effectively. Humans process such as executives and operational staff owning the capabilities of understanding, manipulating and analyzing customer knowledge to face and satisfy customers' needs in customer oriented culture.

Chen and Popovich (2003) mentioned the CRM implementation model consist of:

2.11 Customer-centric

Since CRM is focusing on customers, customer-centric context means placing customer at the core of the company's marketing effort, concentration on customers rather than sales. Organizational members must have a customer-focused mindset. This cannot be achieved only through organizational members but also

the process and people. All the processes in an organization must be aligned with the customer-focused mindset as well (Chen & Popovich, 2003; Prasonukarn, 2009).

2.12 Cross Functional

Implementation of CRM cannot be applied in just a single division or department but the whole organization. It requires cooperation, collaboration, and commitment from organizational members in every department in an organization. When implementing CRM, it is necessary to conduct process re-engineering in order for it to be aligned with the customer-focused mindset. Change must occur. Therefore, CRM implementation requires every organizational member to participate and cooperate in this change. (Chen & Popovich, 2003)

2.13 Technology-Driven

Technology is considered as an enabler or driver in CRM. Technologies like data mining or data warehouse or CRM software allow the organization to obtain, manage, process, and interpret customer information more conveniently and efficiently. However, the organization must analyze and consider whether the existing technology in the organization is efficient enough to respond to the change aligned with customer-focused mindset change (Chen & Popovich, 2003; Prasonsukarn, 2009).

2.14 Enterprise-Wide

Since the implementation of CRM should not be limited to a particular department, it should be implemented across the entire company. The customer-focused mindset also becomes a part of the organization. The vision and goals of the organization should also be aligned with the customer-focused mindset (Chen & Popovich, 2003; Prasonsukarn, 2009).

In agreement to all the definitions of CRM may be defined as the strategic process focusing on using customer information to know more about customers (customer

life cycle) and maintaining a relationship with them. CRM is the integration between people, process and technology in the context of customer-centric, cross functional, technology driven and enterprise-wide. The next sub topic is about customer life cycle, where it is the practice of CRM to describe the progression of stages a customer goes through when considering purchasing, using, and maintaining loyalty to a service or product.

2.15 Customer life cycle

Customer life cycle can also be known as the essential processes of CRM; acquisition stage, customer orientation, product and service quality, customer satisfaction, customer retention and customer loyalty. Prior to having loyal customers the organization might have gone through the essential aforementioned processes of CRM.

2.15.1 Customer acquisition

Customer acquisition is the foundation of the entire CRM process and is also the bedrock in the success of every business or organization. Without a sustained customer acquisition finally there will be no customers left for the business to satisfy or try to retain. Organizations use certain marketing activities to persuade potentially new customers to buy their goods or services and also make future purchases. Event based marketing, such as trade shows where companies showcase and evince their latest products or services and allow potential customers the opportunity to try the product or service in order to influence customer's future purchases.

Marketing communication channels has evolved over the years and table 1 shows the interpretation between the old media channels and the internet.

An interpretation of the differences between the old communication channels and the Internet (adapted from [5]).

Old media	Internet	Comment
One-to-many communication model	One-to-one or many-to-many communication model	Theoretically the Internet is a many-to-many medium, but for company-to-customers communication it is best considered as one-to-one
Mass marketing	Individualised marketing or marketing customisation	Personalisation possible because of technology to monitor preferences and tailor content
Monologue	Dialogue	Indicates the interactive nature of the World Wide Web, with the facility for feed-back
Branding	Communication	Increased involvement of customer in defining brand characteristics. Opportunities for adding value to brand
Supply-side thinking	Demand-side thinking	Customer pull becomes more important
Customer as a target	Customer as a partner	Customer provides more input into products and services required
Segmentation	Communities	Aggregation of like-minded consumers rather than arbitrarily defined target markets

Table 1, interpretation between the old media channels and internet (Source: D. Chaffey et al., Internet Marketing (Prentice Hall, Harlow, 2000).

Presently the internet empowers customers through several mouse clicks to switch from various suppliers to compare products, prices and other tailored preferences on a worldwide basis. The possibility to increase competitive advantage of retailing is to deliver a product based satisfaction and also customer-business relationship satisfaction.

2.15.2 Word of Mouth

Word of Mouth (WOM) is an old concept where one person shares information with another through oral communication. Lately, WOM is not only oral communication but passed on social media as well. The theory of WOM has become a vital term for marketers and businesses. The influence of WOM can be both positive and negative. WOM influences the decision making of the buyer which is known as the positive WOM. On the contrary, negative WOM do pushes potential buyers away from purchasing a particular product or service. Studies related to

consumer behavior suggest that WOM have a strong influence on the psychology of the person. People are more likely to share bad experiences about a brand than positive brand experiences. About two-thirds of all brand-related WOM is mostly positive in nature and only about 10% is negative. It is one of the aims of marketers and every organization to prevent negative WOM. Seldomly negative WOM also lead to a brand popularity and might increase sales if accurate measures a put in place. Ryan air is one of the few companies which has taken advantage of the positive power of negative WOM. Ryanair charged passengers for the use of lavatories which was considered negative WOM and at the same time this made the brand Ryan air popular worldwide.

Culture and motivation is a significant factor in WOM. A group of people with the similar norms and ethics also influence each other directly or indirectly with their brand comments and product performances. Persons with similar level of interest create motivation among others to carry along positive WOM. People with high individualism influence also are vital towards the positive building of WOM.

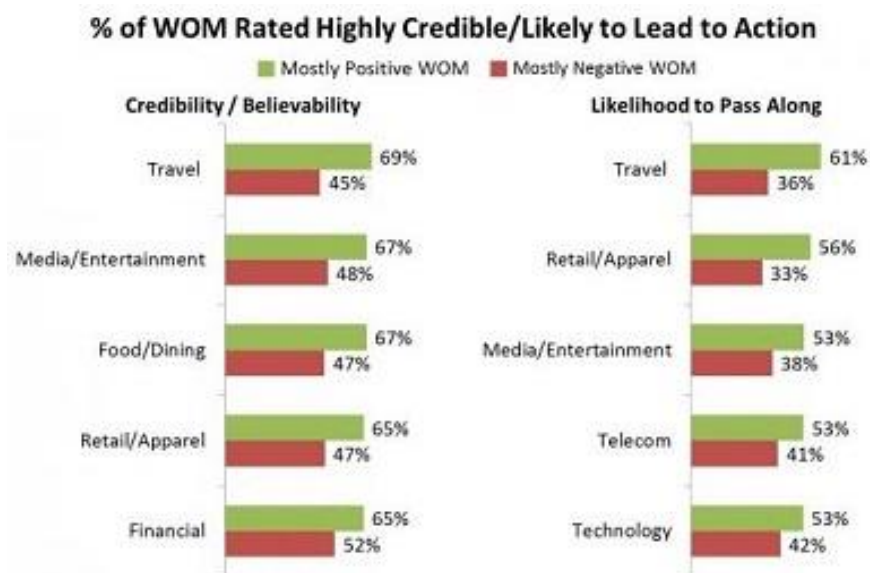


Figure 1.7 Percentage of WOM rated highly credible/ Likely to Lead to Action
(Source: Keller Fay's TalkTrack, October, 2012 - September, 2013)

The figure above adapted from Kellerfay (2013), shows product categories with respect to positive and negative WOM. A survey done in October, 2012 to September, 2013 shows the top five categories where positive word of mouth is rated more credible and likely to be passed along. On top of the list is travel where almost 70% of positive travel-related WOM is considered credible, while slightly over 60% is likely to lead to the information being passed along to others.

2.16 Customer orientation

Customer orientation is one of the most significant factors in which a firms need to be successful in an enormously competitive industry. The customers' prospective needs, problems, and wants should be the main focus of the company. It is key to know accurate knowledge of products, competition, markets and certainly the customer.

Achieving Customer orientation is based on appropriate structures, the use of modern technology, employees and management all with a common goal of satisfying customers. To Rodriguez, Ajjan et al (2014) customer orientation is the rate at which the firm acquires and utilizes information from customers and creates a suitable approach which will conform to the needs and execute a strategy by reacting positively to customers' needs and wants. Also, customer orientation is related to customer satisfaction, after-sales services, tailor made or personalized services and to loyal customers. (See figure 1.7)

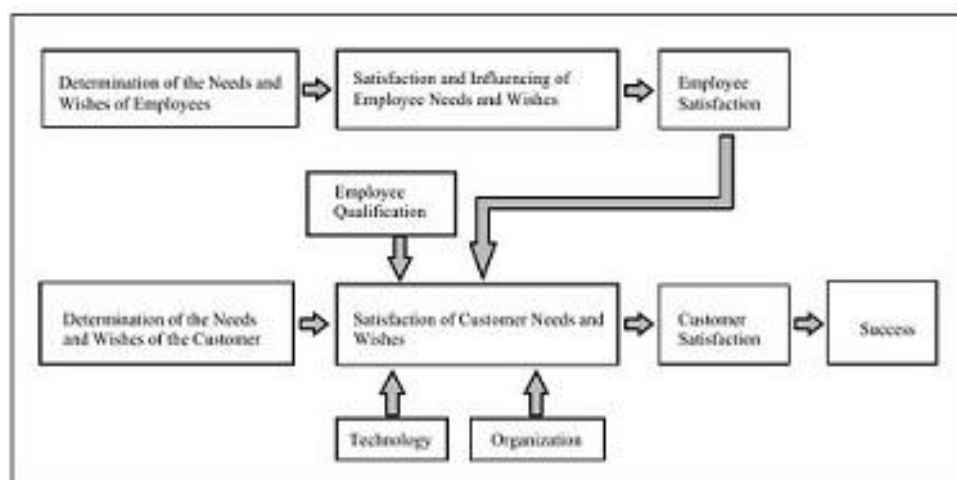


Figure 1.8 Interaction of factors that influence customer orientation and customer satisfaction. (Raab, Gerhard, Ajami et al, Customer relationship management: a global perspective, 2008).

Harvey-Cook & Taffler (2000 pp 103), explain customer orientation as set of fundamental individual tendencies and preferences to make service available and be considerate and helpful when engaging with a customer. About four decades ago since the marketing concept was introduced, customer orientation has been acknowledged as the basis of marketing theory and execution. Employees gain more experience and become more embedded in customer oriented culture as a result of a firm's reformed abilities.

Customer orientation is a culture not only a procedure that puts the customer as the center of a strategic plan and implementation of a business. Customer satisfaction is the main aim of customer orientation. Customers satisfied are more promising to buy the product or use the service again, actively or passively suggest it to friends or family thus basically called a positive word of mouth in marketing. This satisfied customer might ignore other alternative offers, who might become loyal customers. This makes their decision even simpler and choosing a product or service becomes a habit. (Raab et al., 2008)

2.17 The concept of product quality

The initial process of a customer oriented company strategy is made up of the needs and expectations of every customer. Fulfilling these needs and expectations of a customer requires a suitable level of guaranteed product quality. In the case of service or service performance businesses can masterly render what their customers absolutely want in order to earn competitive advantage and also obtain a high level of customer satisfaction.

Over the years, managers have realized how quality performance could have an impact on the success of the firm. Raab et al (pp 31, 2008). divided the quality concept into two; manufacturer-oriented quality concept and customer oriented quality concept.

2.17.1 The Customer-oriented Quality Concept

There are two sides of this aspect of quality concept; user-oriented and value-oriented understanding of quality. Customers evaluate the user-oriented quality according to their own preference and expectations about a specific product. In this present fierce buyer's market, a customer will abandon a business which does not provide the quality of product or service they desire.

2.18 Service quality

With customer centric firms it is significant to examine the service quality when measuring customer satisfaction. It has been extremely strenuous to define service quality concept. Researchers and practitioners have numerous meanings of quality such as moment of truth, evidence of service, image, price, experience of the service encounters and others. From the customer's point of view these are perceptions of quality, satisfaction and value which is also known as customer perceived quality. The notion of consumer perceived quality (CPQ) was initially defined by Gronroos (1984) as the confirmation or disconfirmation of a consumer's expectations of service compared with the customer's perception of the service actually received. Gronroos (1984) proposed two different classifications of service: technical and functional quality. How well the core service meets customers' expectation is known as technical quality. While functional quality refers to the impact of the interaction process as a result of feedback from customers, especially the perceptions of a company's customer care and manner of service personnel. Parasuraman et al. (1988) also suggested customers assess any type of service quality using certain criteria which can be divided into five dimensions: tangibles, empathy, reliability, assurance and responsiveness. Customers play an important role as co-producers activities by giving interactive feedback which has an effect on both process quality and outcome quality.

2.18.1 Service quality models

There have been several service quality models from 1984 till today. These models enable management of business to perceive the significance and improve the

quality. This paper will attempt to review four service models in relation to service quality in the telecommunication industry. These four models are technical and functional quality model (Grönroos, 1984), gap Model (Parasuraman et al., 1985), synthesised model of service quality (Brogowicz et al., 1990), and service quality, customer value and customer satisfaction model (Oh, 1999)

2.18.2 Technical and functional quality model (Grönroos, 1984)

A business, in order to compete in a fierce industry successfully might have an understanding of customer perceived quality and the manner of how service quality is influenced. Perceived service quality management refers to that an organization has to agree with the expected service and perceived service to fulfill the satisfaction of the consumer. Grönroos (1984) stated three elements: technical quality, functional and image (figure 1.8).

- i) Technical quality is quality assessed and experienced by consumer after interaction with the service of the organization. Here the evaluation of the quality of service by the consumer is vital because it influence on the next purchase of that specific service.
- ii) Functional quality is the technical quality outcome assessed by the consumer. This is important to the consumer and his or her views of service quality received.
- iii) Image is also one of the important elements to a service organization and this is built from outcomes of both technical and functional quality of service with regards to other factors such as word of mouth, pricing, tradition, public relations and ideology

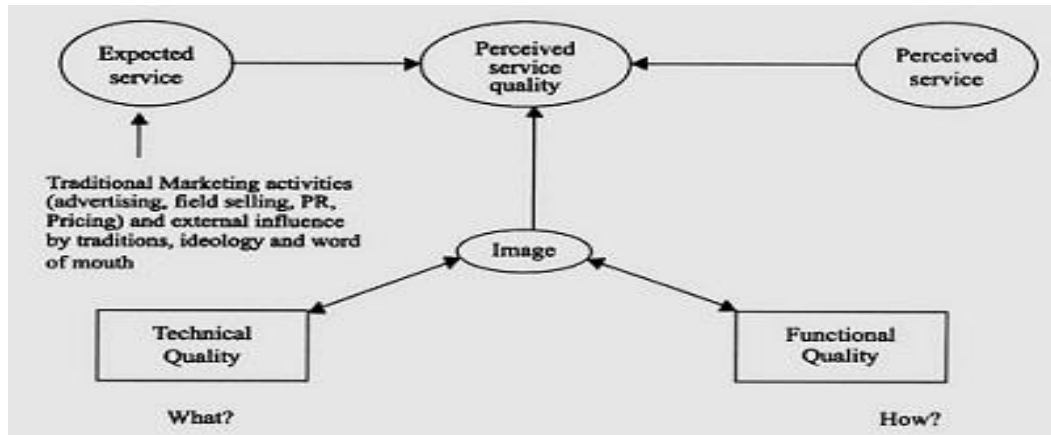


Figure 1.9 Technical and Functional Model (Source: Grönroos, C. (1984), "A service quality model and its marketing implications", European Journal of Marketing, Vol. 18 No. 4)

2.18.3 Gap Model (Parasuraman et al., 1985)

Gap Model (Parasuraman et al., 1985) suggested that service quality is the difference between expectation and performance affecting quality dimension. Based on gap analysis a service quality model was developed. Here are the various models:

Gap 1: Dissimilarities between consumers' expectations and management's perceptions of those expectations (thus not knowing what consumers will expect)

Gap 2: Difference between management's perceptions of consumers' expectations and specifications (unsuitable service quality standards)

Gap 3: Disparity between service quality specifications and service actually delivered (performance gap)

Gap 4: Difference between service delivery and the communications to consumers about service delivery (If promises match delivery?)

Gap 5: Difference between consumers' expectation and perceived service. This gap is influenced on the four aforementioned gaps related with the delivery of service quality from the marketer's perspective.

This research was improved with a subsequent scale named as SERVQUAL for evaluating customers' perceptions of service quality (Parasuraman et al, 1988). The original ten elements of service quality were narrowed down into five elements: tangibles, reliability, responsiveness, assurance (security, competence, courtesy, communication and responsiveness) and knowing and understanding the customer's empathy. Later in 1991 the SERVQUAL was reviewed replacing the word "should" by "would" and then in 1994 cutting down the total number of items to 21 but continuing to have the five elements. This resulted in an extended service quality model which demands communication and control procedure executed in a business to manage employees. (see figure 2.1)

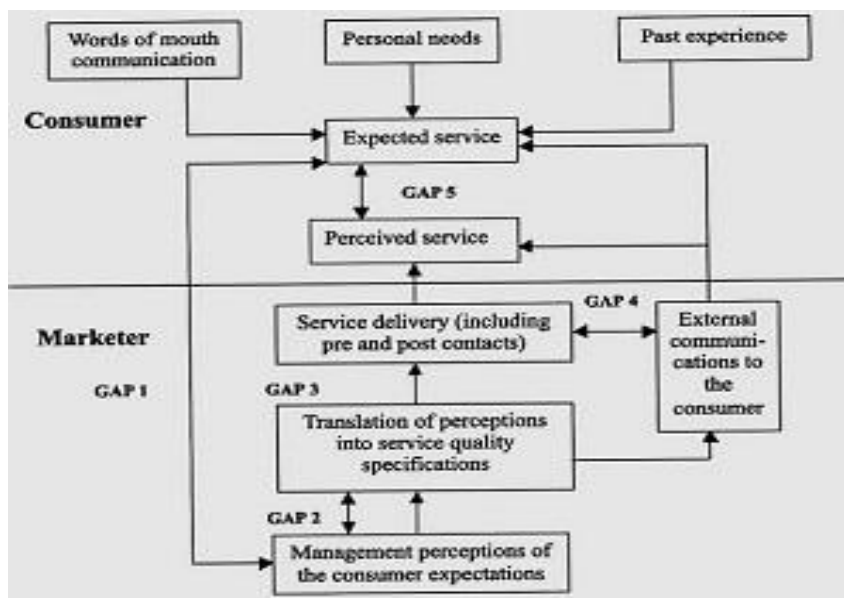


Figure 2.0 Gap Model (Source: Parasuraman, A et al., (1988) " SERVQUAL: a multiple item scale for measuring customer perceptions of service quality", Journal of Retailing).

2.18.4 Synthesized model of service quality (Brogowicz et al., 1990)

A service quality gap takes place when a potential customer may be informed about a specific service through word of mouth, media communications or through other media communications but has not yet experienced the service. This model makes an effort to integrate traditional managerial concepts, service design

and strategies and marketing activities. The main purpose of this model is to determine the parameters associated with service quality in the traditional managerial concept of planning, implementation and control. From Figure 2.1 the synthesized model of service quality shows three elements of company image, external influences and traditional marketing activities as the elements swaying technical and functional quality expectations.

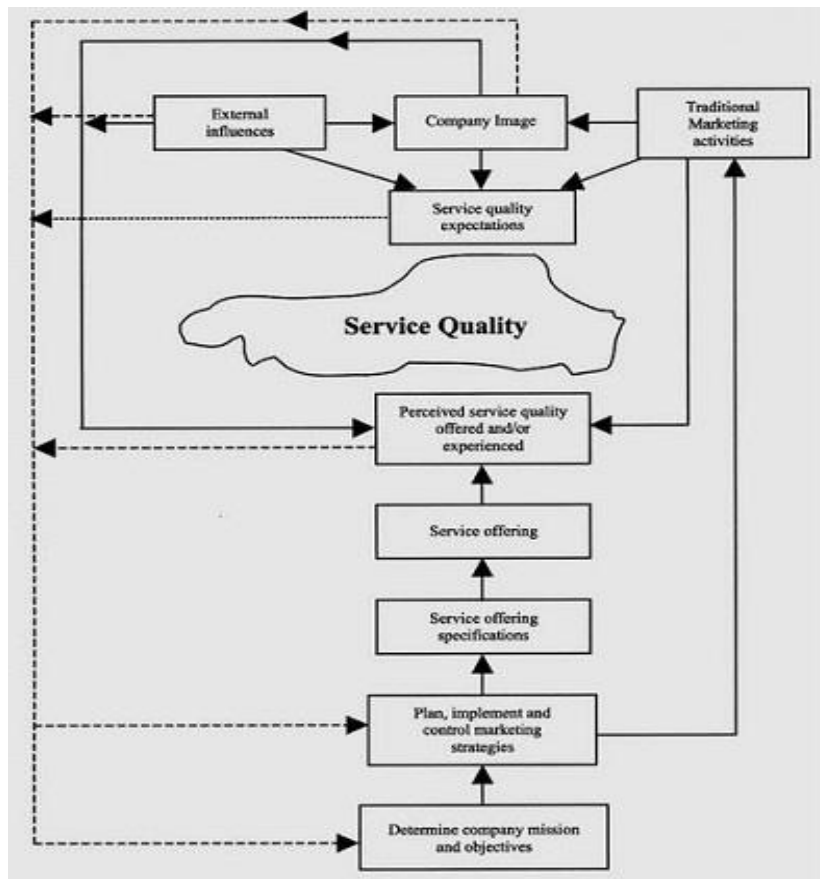


Figure 2.1 the synthesized model of service quality (Source: Brogowicz, et al., (1990), "A synthesized service quality model with managerial implications", International Journal of Service Industry Management)

2.18.5 Service quality, customer value and customer satisfaction model (Oh, 1999)

Oh (1999) suggests a cohesive model of service quality, customer satisfaction and customer value. The post purchase decision process was the main process pro-

posed in this model. From figure 2.2 the arrows in the model signifies causal directions. The model integrates key issues such as service quality, consumer satisfaction, and customer value and customer intentions to re-purchase. WOM communication tool is an idea which is a direct and includes perception, satisfaction, value and repurchases intentions. The model indicates clearly how customer value plays an important role in the customer's post-purchase decision making process, also prior to customer satisfaction and repurchases intentions. Finally, the result also shows that there is no relationship with perceived service quality, if perceived price has a negative influence on perceived customer value.

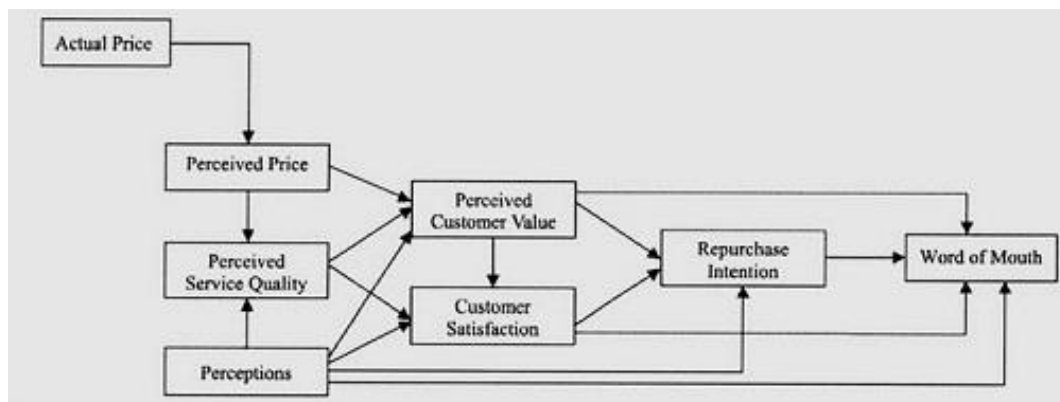


Figure 2.2 Service quality, customer value and customer satisfaction model (Source; Oh, Service quality, customer satisfaction and customer value: a holistic perspective", International Journal of Hospitality Management, 1999).

Comparing all four service quality models Gronroos (1988) suggested that word-of-mouth (WOM) has more significant impact on potential customers and also emphasizes on the importance of service quality research based on consumer discretion. In Parasuraman's model of service quality there is a gap between consumer and marketer sides at various levels, where WOM is again significant for anticipating service of potential consumers. Brogowics (1990) et al synthesized model of service quality agrees with both technical and functional quality model and gap Model. Oh's model considers the importance perceived customer value where WOM cannot be left out in the service quality model.

2.19 Concept and definitions of Customer Satisfaction

As a key driver of customer centric approach, many findings from researchers emphasize on customer satisfaction which leads to the main aim of every firm to have loyal customers. Improvement in customer satisfaction may result in increased loyal customers which again increase revenue for the firm. To achieve customer satisfaction, it is significant to be familiar with customer's expectations and to know what customer like or dislike. A long lasting relationship with customers enables organizations to know more about their customers and provide tailored-offers. Each and every customer is unique and important, some may fall under the same level of satisfaction with others, therefore it is important for firms to be aware of customers' expectations and provide specific level of satisfaction.

There is no precise definition of customer satisfaction even though the term has received much attention from scholars and researchers over the years. One can say that customer satisfaction means doing enough for the customer by fulfilling the psychological gap of lack of contentment, well-being and happiness (Rust, Zahorik & Keinigham, 1996). Satisfaction is an emotional reaction of space separating customers' expectations and what they experience (Zineldin, 2000), with respect to their need or desire. Kotler (2001) also suggests that customer satisfaction is simply expected delivered value and the actual delivered value along with the image of the firm and product or service quality. There has been a concept of customer satisfaction as a consumer's personal emotion comparing perceived quality performance with expectations. Oliver's (1997) expectancy-disconfirmation framework clarifies the perceived quality of products and service before customer's expectations. Disconfirmation could be positive or negative, when customer's expectations are met or surpassed positive disconfirmation meaning the customer is satisfied. Negative disconfirmation, on the contrary is when perceived quality fails to reach expectations then the customer is dissatisfied.

2.20 Perceived product and service quality

Understanding customer's needs and fulfilling them is important for a firm implementing the customer-centric approach. Due to fierce competition in the market, customers have quite a number of alternatives. A customer assessing the standard process of receiving customer services is perceived quality. It may be also defined as the manner in which a customer views a product's brand equity and general comparison to alternatives. For the customer, the perceived service is most important. Perceived quality may be different from actual quality.

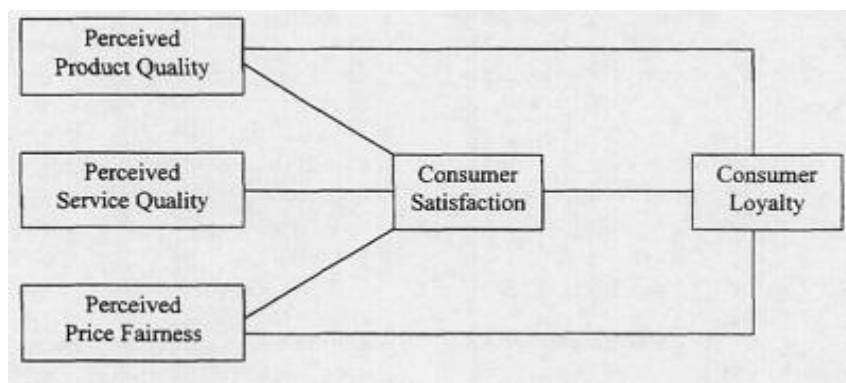


Figure 2.3 Practical models for the effects of perceived product quality, service quality and price fairness on consumer satisfaction and consumer loyalty. (Source: Parasuraman et al., A Multiple-Item Scale for Marketing Consumer Perceptions of Service, 1988).

Literature suggests that there is a positive relationship between perceived quality and perceived value of a product or service, which is comparing alternatives, where a higher perceived product quality may increase the perceived value and increase customer's willingness-to-buy. In short, perceived service quality is positively related to consumer satisfaction. Figure 2.3 above is a conceptual framework for the effects of perceived product quality, service quality and price fairness on consumer satisfaction and consumer loyalty (Monroe, K.B., 2002).

2.21 Customer retention

Satisfied customer may become a loyal customer who will always look forward to buy the firm's new products and services. According to research, it is expensive and difficult to acquire new customers. One merit of customer retention is that satisfied customers acquire new ones through positive word of mouth among their friends, family and work colleagues. To Kumar et al. (2012), research on customer retention have two main streams. The first stream is concerned with finding out the effects of diverse marketing variables on customer retention which relates to the performance of the firm. The other stream is interested in building econometric and statistical models to approximate customer retention decisions from both the customer and firm perspective. Kumar et al., (2012) go on to state these common threads of relationship:

- a. increased product and service quality results in increased satisfaction
- b. increased customer satisfaction leads to increased customer retention
- c. increased customer retention results in increased firm performance

Retention orientation approach involves firms to be interactive to customers concerns by maintaining open dialogues with them. Customer retention implies a long-term commitment on the part of the customer and the organization to maintain the relationship. The progress of the mutual commitment is the same activity as creating long term buyer-seller relationships. Retained customers may buy more than newly acquired customers (Wilson, 1995, p 8).

According to Lowenstein (1995, 131), a decline in the number of customers can become an extra cost for a firm as it directly increases the marketing activities to acquire or retain customers. Negative WOM sets in when firms loses customers who are more likely to spread bad image. Most successful firms use customer retention as a strategic decision by management to interact and get feedback from previous consumers in order to improve service.

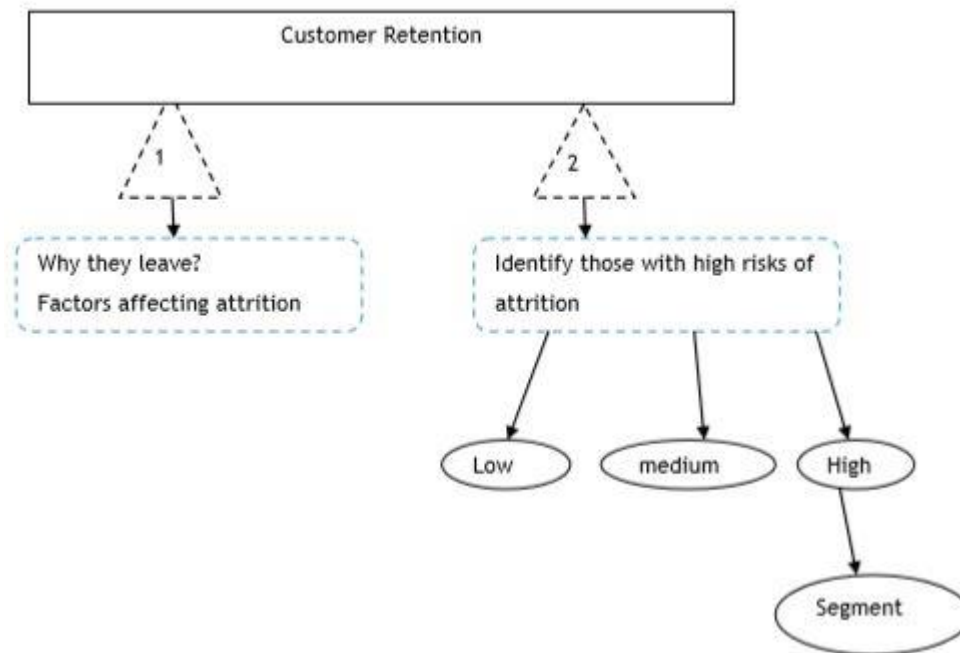


Figure 2.4 Customer retention conceptual frame (Source: Lowenstein, W. 1995. Customer retention: an integrated approach for keeping your best customers, Michigan ASQC. Quality Press)

Lowenstein identifies some customer retention strategic programs where the first question asked is “Why do customers leave?” Finding out the reason why customers leave is a first step in improving products and service. Some customers may be dissatisfied with the product or service; others may consider the price to expensive and not worth the product or service (See Figure 2.4).

The second section for customer retention program is to find out customers with high risk of attrition or churn. A firm able to group the level of customer churn or attrition makes it easier to structure programs and policies to retain customers. Implementing the logical regression, neutral networks and decision trees could be used to identify these levels of customer churn. After identifying those firms can divide customers into low risk of leaving, medium risk of leaving and high risk of leaving.

2.22 Customer Loyalty

Recently tailoring marketing activities has focused on satisfying customers in the same segment. This leads to satisfied customers to always repurchasing from the firm making them loyal customers. To keep a long lasting relationship with customers is one of the most significant goals of every organization. The long-term success of the firm falls on its loyal customers. Firms develop relationships with profitable customers and try to end relationships with unprofitable customers. Customer loyalty can be viewed as a repeat patronage of a brand, service, store or vendor depending on the strength of the relationship between the customer and firm. Two concepts are identified in this literature; loyalty as basically an attitude and loyalty expressed in terms of behavior.

2.22.1 Attitudinal Loyalty

Research suggests that first and foremost there is an intense attitudinal commitment to a brand for a genuine loyalty (Reichheld, 1996). This could be an enthusiastic mindset towards a specific brand purchased. Consumer feels committed to an entity because of the positive beliefs relative to the entity. This is key predictor for re-patronage. Oliver (1996) suggests attitudinal loyalty could be known as strong commitment to re-purchase a product or service of preference consistently in the future, irrespective of marketing efforts and situational influences which as prospect cause for a consumer to switch. Attitudinally-loyal customers are much less vulnerable to accept negative information about the brand than customers who are not loyal. It is relatively easier for the management of a firm to predict revenue or sales within a specific period of time because of loyalty to a brand increase. Attitudinal loyalty in consumers forms relationships with their brands.

2.22.2 Behavior Loyalty

Loyalty to a brand is measured by repeat purchases due to the repeat satisfaction acquired. A consumer may buy the same brand again not because of their solidly-held attitude or strongly-held commitment but because it is not worth the time to look for an alternative. In case the usual brand is unavailable or out of stock, then

another alternative to the brand will be purchased (Ehrenberg et al., 1999). Amine (1998) also suggests that not all repurchase should be considered as loyalty purchasing:

1. As said above, consumers repurchase a product or service to avoid search effort or reduce time spent in searching for alternatives this is known as inertia purchasing.
2. When there are not many choices of alternatives to choose from, the repeat purchasing improves too. Consumer commitment towards the purchase (behavior loyalty) of the same brand does not mean the customer is a loyal; this repurchase may also change when the consumer relocates.

2.23 eLoyalty

In this present technological business world internet loyalty cannot be left out of customer centricity. An internet user has the opportunity to switch the suppliers with several clicks, to compare products, prices and location without any external pressure. The all-time winning combination of low price and high quality product does not work very well on the internet because there are hundreds of other online retailers with a similar offer. One of the prospects to increase the competitive advantage of online retailing is to create not only product related satisfaction but also customer-firm relationship satisfaction.

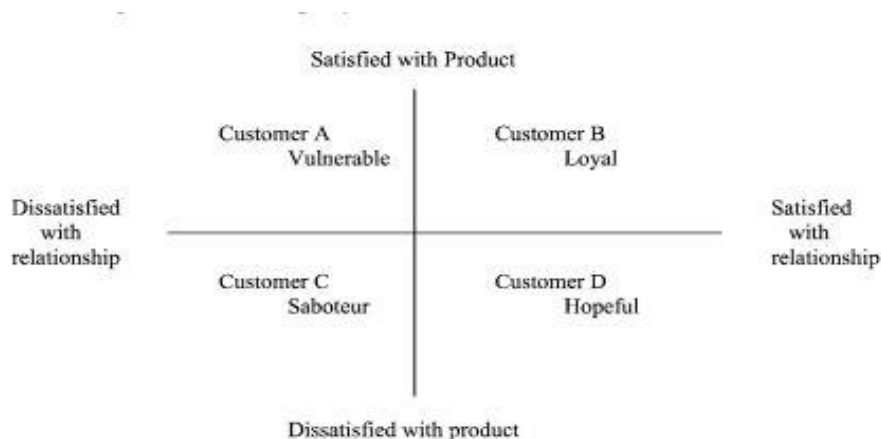


Figure 2.5 eLoyalty matrix

Customer A is type of customer was satisfied with the product purchased, but not satisfied with the relationship with the organization. This customer is likely to switch to other alternatives. The relationship between the customer and the firm strongly affects how a product, service or company is perceived and this affects customer behavior. Marketers and management should respond to feedback in this category of a customer as they could become an important source of future transactions and move into loyalty quadrant.

Customer B is the kind of a customer every company desires to have. These customers are very satisfied with the product or service and also the relationship with the firm. Here the firm can predict on re-purchase and the higher hope of spreading positive word of mouth to others.

Customer C is the kind of a customer who has bad experience with the product and the relationship with the firm almost guarantees that he or she will never buy from the firm again. This is the kind of a customer a firm does not wish to have after purchases, obviously these wrong felt customers will carry along a negative word of mouth to other potential customers.

Customer D is the kind of a customer who was not satisfied but hopefully would be after the next purchase, as a result of good relationship between the customer and the firm, where the customer is willing to give the firm or product another try.

The concept of eLoyalty matrix elaborates a framework for a better understanding of sectors of improvement and also customer turnover. Focusing on the customer's relationship with firm is vital. Regardless of the poor product experiences by customers C and D, Customer D's willingness to continue the relationship with the company differs from the behavior of Customer C.

2.24 Customer lifetime Value

CLV can be defined as numerous processes, but all approaches share the basis, the current value of the income delivered by the customer over a transactional period of time with an organization. Kumar (2008, 5) suggest CLV as total financial contribution from the current year into the future that is, revenue minus the cost of a customer's future life time with the firm, therefore; it replicates the future profitability of the customer. This helps management to know profitable customers and to focus on revenues from these customers.

Pfeifer, Haskins and Conroy (2004) also defines CLV as the present value of future money flows attributed to the relationship with the customer".

Calculating CLV helps the firm to know how much it can invest in the retention of customers and, of course to, be sure the investment will bring about profit. Firms have limited resources and should invest them in those customers that bring a maximum of profit which is feasible to be known from calculating customer lifetime value.

2.25 Calculating the Customer Lifetime Value (CLV)

There are numerous ways to calculate customer lifetime value, with regard to customer centric strategy approach CLV from Ashok and Ranchold will be adapted and discussed in detail. The CLV consists in taking into account the total financial contribution that is revenues minus costs - of a customer's entire life of a business relationship with the firm. In spite of the simplicity, the calculating of CLV requires a lot of time and attention. All cash flows involved in the process have to be identified and measured on a very detailed level and allocated precisely to each customer or type of customer. Figure 2.3 shows the seven-step approach to measure CLV.

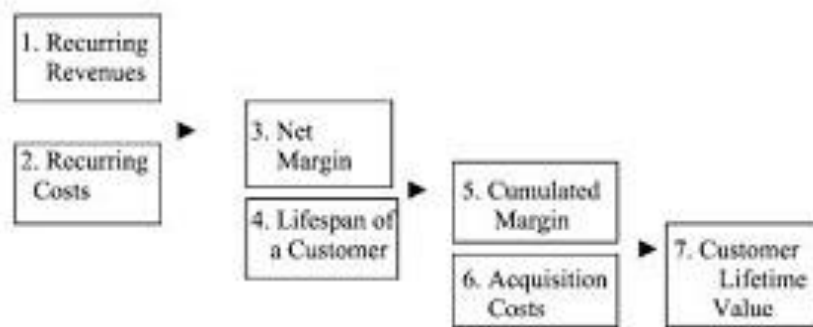


Figure 2.6 Seven step process to measure customer lifetime value (Ashok Ranchhod and Ebi Marandi, CIM Coursebook 05/06 Strategic Marketing in Practice, Elsevier Butterworth-Heinemann, Massachusetts, 2005).

Mathematical formulas from Figure 2.3

CLV = Customer lifetime value (Profitability)

RR= Recurring revenues

RC= Recurring cost

Y= Lifespan of a customer, or number of transactions

AC = acquisition costs

P= Total profits

C= Number of customers

$$CLV = (RR - RC)Y - AC$$

$$P = CLV * C$$

$$P = ((RR - RC) * Y - AC) * C$$

There are problems that could arise during the calculation of CLV but can be solved by the advice as follows:

The firm applying this method of calculating CLV has to clearly define from the beginning the purpose of using customer lifetime analysis, and the expected benefits.

Normally problems from CLV analysis are industry and company specific; as a result the firm has to select the most appropriate method to apply this concept in a specific situation.

2.26 Customer centric approach and Customer Satisfaction

Acquiring new customers is more difficult and expensive. However, a lot of firms are investing in keeping existing customers instead of trying to find new ones: Raab et al. (2008), suggests that acquiring new customers can cost up to six times more than keeping existing customers. A 2% increment in customer retention has the same effect on profit as drastically reducing customer acquisition cost. In addition, on the average firms lose approximately 10% of their customer base each year. Therefore, a firm's current customers are the most lucrative marketing asset. Adapting the customer centric approach helps the firm place the customer at the center of the firm's marketing effort, focusing on satisfying customer needs rather than sales. There are several ways to execute the customer centric strategy, but G.Bacuvier et al, (2001) simplifies customer centric approach by creating a multi-functional team who closely involved in the marketing operations of the firm.

Customer-Company interaction also involves marketing strategies on day-to-day basis. To satisfy customers' demand the firm has to identify the segment of loyalty (Figure 2.3) they fit in. Customer centric strategies based on customer lifetime value are as follows:

- i) The initial step is to improve the existing offer in order to attract the potential customers close to the existing customer loyalty segments (Figure 2.5).
- ii) Diversify the offer in order to attract new segments of customers by increasing the product or service portfolio.
- iii) Increase recurring revenues by increasing the volume of sales, upgrading offer,

- iv) Reduce recurring costs by reduce cost of distribution (cheaper supplies, cheaper outsourcing and increased efficiency)
- v) Retain increase lifetime by increasing customers' loyalty maintaining and if possible increasing customer satisfaction. This can be achieved by improving present offer, better targeting to segmented customers.
- vi) Reduce acquisition cost or better targeting of potential customers.

Marketing communication mix

Every firm adapts marketing communication mix to execute its advertising and marketing objectives. Marketing communications or promotional mix are basically the specific mix of advertising, personal selling, sales promotion, sponsorship, public relations and direct marketing.

Depending on the status of customer share and customer lifecycle a firm decides to acquire new customers, retain old in active customers, or reward loyal customer, increase the brand awareness. In acquiring new customers, firm may execute advertising by emotionally connecting the product or service with the segmented people in a human way relating to its storytelling. In the telecommunication industry, personal selling a vital marketing communication tool as well and used most often.

Personal selling is a face to face interaction between a personal presentation by the firm's sales force and a consumer with the purpose of informing, and persuading the prospect buyer about a product or service and building customer relationship. This is the most effective and most expensive tool for building potential buyers' preferences and personal interaction allows feedback and adjustments.

Sales promotion is used by marketers as a competitive weapon where additional incentives are provided for the target audience or potential consumers to purchase over other alternatives. Sales promotion is a great movement towards relationship marketing where loyal customers are rewarded with coupons, offers, samples, incentives and so on.

Sponsorship is also one of marketing communication mix used by marketers to increase brand awareness. This is considered expensive for the firm and it is sometimes executed to achieve corporate social responsibility goals by giving back to the society.

SUMMARY FROM THE THEORETICAL FRAMEWORK

There have been dynamic strategies and technologies in the implementation of CRM. The timeline of CRM illustrates how these strategies and technologies have been improved by firms in order to satisfy customers. In 1990's the first generation of CRM introduced the Enterprise Resource Planning (ERP) mainly gathers information, manage and interpret data from various business activities. Unfortunately the ERP left a gap of knowing what customers actually needs. This gap was filled in the subsequent generations by the introduction of customer facing front-end approach, where firms satisfied its customers by paying more attention to them than sales.

Before channeling all marketing activities to the customer, first the firm must know what the customer actually needs; and this can be achieved through the Chen and Popovich (2003) CRM implementation is between people, process, and technology in the context of customer-centric, cross functional, technology driven and enterprise wide. The status of the firm's customer share could be known through the customer lifecycle. Customer lifecycle is the progression of stages a customer goes through when considering purchasing, using, and maintaining loyalty to a service or product. Customer lifecycle of this survey includes customer orientation, product and service quality, customer satisfaction, customer retention and customer loyalty.

3 RESEARCH METHODS

According to (Ghauri & Gronhaug, 2010), research method is the orderly and organized gathering of data with the aim of deriving information to answer the research problem. Research method is used to refer to gathering data by way of historical review and analysis, case studies, surveys and field experiments

This section of the thesis discusses the how to obtain the empirical results of this study. Using quantitative, qualitative or face to face survey was utilized to probe answers of the respondents. The target population is the section of management and staff of Vodafone Ghana, Circle branch.

3.1 Qualitative research

Research aimed at investigating personal experiences, also to reach deep insight into phenomena usually takes the approach of qualitative research. In a survey which the research problem does not clarify simple understanding and more or less unstructured, qualitative approach is good choice. Qualitative research approach usually aims at uncovering understanding from the stand point of the respondent. The researcher's skills in identifying where to access the right data from, the characteristics of respondents and the scope of information that is valid and reliable enough to be tapped for the research at hand is of immense importance. Throughout this process, the researcher should be conscious and guided insofar as issues of bias and personal influence to the research is concerned. Also, when research directed to find solutions to the numerous problems of society is hard to carry out through quantitative research approach, qualitative research presents itself readily to perceive details and uncover the meaning to the research problem.

Quantitative research approach uses logical and rational reasoning to analyze data to come out with an objective solution to the research problem. By quantitative approach, the researcher is not attached to the research in any form of bias and personal influence. As such, quantitative research provides an objective way to

solve problems. According to (Ghauri & Gronhaug, 2010), quantitative research approach is mostly used to gather individual data and collate it to study organizations. Usually, significant number of observations is made to be able to generalize results on the basis of belonging to the population. This study employs quantitative research approach to systematically collect data and derive information in solving the research problem. A definite number of customers which will represent the sample size from the population of Vodafone Ghana entire customers will be selected to find out how the firm uses customer centric approach in satisfying their customers.

3.2 Population and Sampling technique

The type of sampling technique is always the key in gathering the right information for any research. This can affect the findings of the survey. To (Ghauri & Gronhaug, 2010), the basic definition of population is the totality of units from which a sample is drawn. Probability sampling methods includes simple random sampling, systematic sampling, and stratified sampling. This survey utilizes simple random sampling where each respondent has an equal chance of being selected. A non-probability sampling technique such as purposive sampling will also be used to gather information from management. Purposive sampling is judgment, selective or subject sampling where units that are investigated are based on judgments in relation to the problem statements of the survey.

The data collated from questionnaires and interview guides will be edited, coded and entered. The most relevant material to this research will be transformed into words, figures, Tables and charts will enhance the qualitative and quantitative nature of this research.

3.3 Reliability and Validity

Reliability and validity determines the accuracy of the research. In other words, it is to know how good the overall performances of the measurement were. There are two types of reliability: internal and external. Internal reliability examines to what extent the measure is consistent within itself. External reliability examines to

what extent measure varies from one use to another. (Ryu 2012; Miller & Yang 2007)

Validity of the research describes how accurate the measurements have been. More specifically: If the questions given measured exactly what they supposed to measure. This study collects also quantitative data which has a lower reliability and somewhat higher validity.

4 RESULTS OF THE EMPIRICAL STUDY

4.1 Case Company Presentation

Vodafone Ghana is an operating company of Vodafone Group Plc. One of the most valuable telecoms brands in the world with significant presence in Africa, Asia Pacific, Europe, the Middle East, and United States. This follows the successful acquisition of 70% of shares in Ghana Telecommunications Company (GT) for \$900 million dollars by Vodafone International Plc on July 23, 2008.

The Mission; of the company is to be the communication leader in an increasing connected world

The Vision; of the company is to our goal is to be the communications leader in an increasingly connected world. The aim to provide the kind of innovative and responsive service for which the Vodafone Group is recognized worldwide.

Vodafone Group worldwide has more than 315 million customers, excluding paging customers, calculated on a proportionate basis in accordance with its percentage interest in these ventures. Operational in 31 countries, the company is ranked among the top ten global companies by market capitalization. Vodafone has a unique portfolio of products and services. It provides high speed access to the internet, mobile services, fixed lines and has broadband services which are among the most competitive.

Excellent customer care is one of the strengths of Vodafone Ghana. It is one of the telecommunications companies in Ghana with many customer service points - situated to serve customers. Vodafone is one of the widest subscribed telecommunication companies in Ghana amidst competitors like MTN, TIGO, AIRTEL, EXPRESSO, and new entrance GLO. Irrespective of the keen competition among these telecommunication companies each of the five networks has been growing in acquisition. Vodafone Ghana offers products and services to both business to business customers (B2C) and business to customers (B2B). The B2B aspect of the business offers internet broadband and fixed lines to large, medium and small

enterprises all over Ghana. The B2C aspect of the business offers cellular network in all the ten regions of Ghana.

The following are information from an interview guide constituting the qualitative results and quantitative information expressed in the questionnaires used.

Analysis of the questionnaires will be performed and results represented by tables, figures and graphical charts. The questionnaire were administered to 150 customers of Vodafone Ghana's, circle branch, but 60 came out valid and answered completely, 30 to Customer care personnel were selected but only 20 were valid. One respondent, by the name Mr. Benesem representing customer relationship management was interviewed.

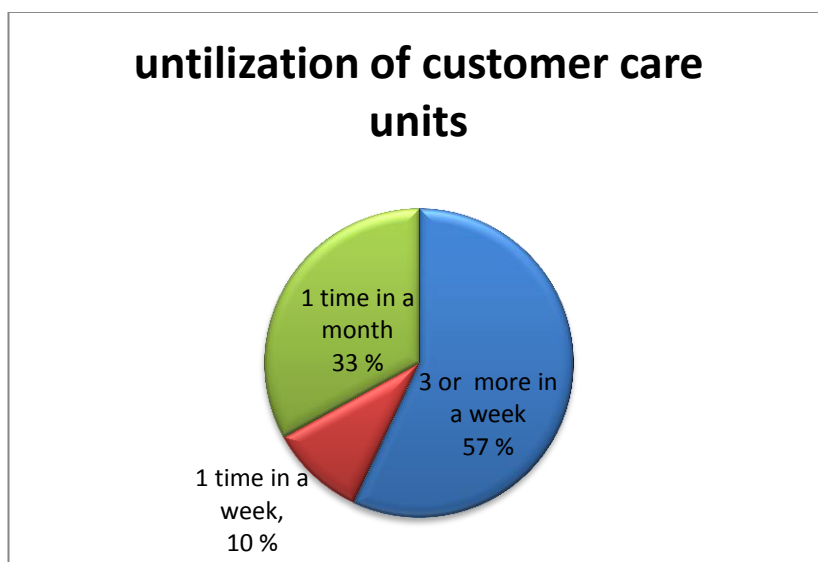
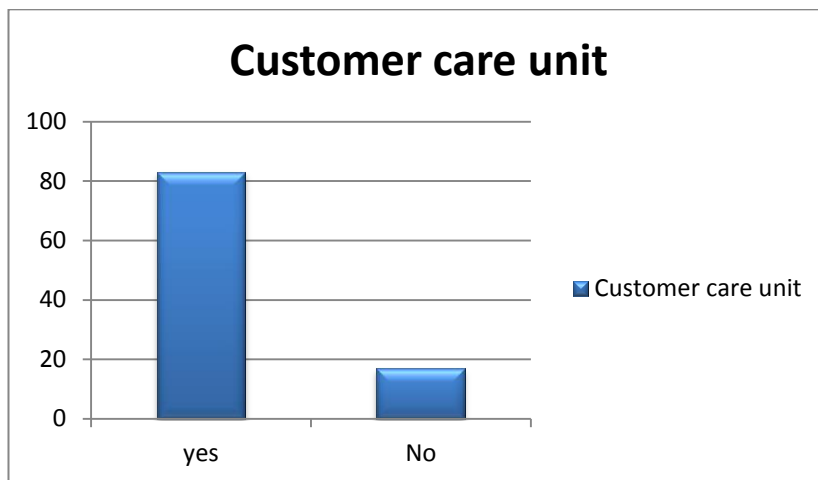
Table 2 how long customers have patronized the goods and services of Vodafone Ghana.

Duration	Frequency	Percentage (%)
1 month – 11 months	6	10
≥ 1 yr. – 5 yrs.	25	42
6 yrs. - 10 yrs.	24	40
10yrs. – 20yrs.	5	8
Total	60	100

Source: Field notes

Over the past 11 months, with respect to the period the questionnaires were administered, it shows clearly that customer acquisition has been relatively difficult, where it states only 10%, but has been easier to retain old customers which had the percentage of 42 respondents. Loyal customers are the heart of every business so is Vodafone Ghana from the study recorded 8% of the respondents who have been loyal to the brand for the duration of 10 to 20 years.

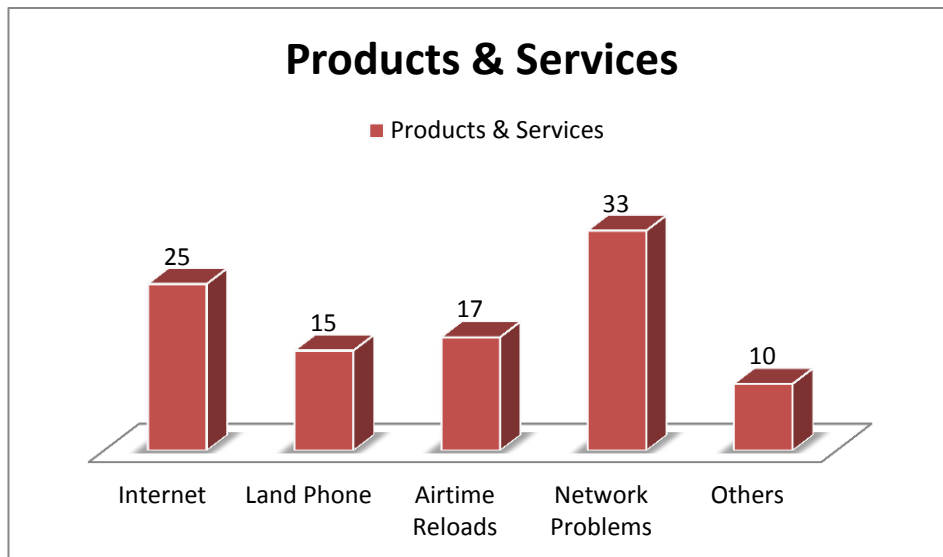
Figure 2.7 and Figure 2.8 Usage of customer service call unit or center and the frequency the customer service call unit is contacted.



Source: Field Note

83% of respondents, representing 50 respondents, have contacted the customer service unit for assistance while 10 on 17 % have never used it. Out of these 50 respondents who call the customer service for assistance 57% used three or more times in two weeks, 10% once in week and 33% of the respondents once in a month.

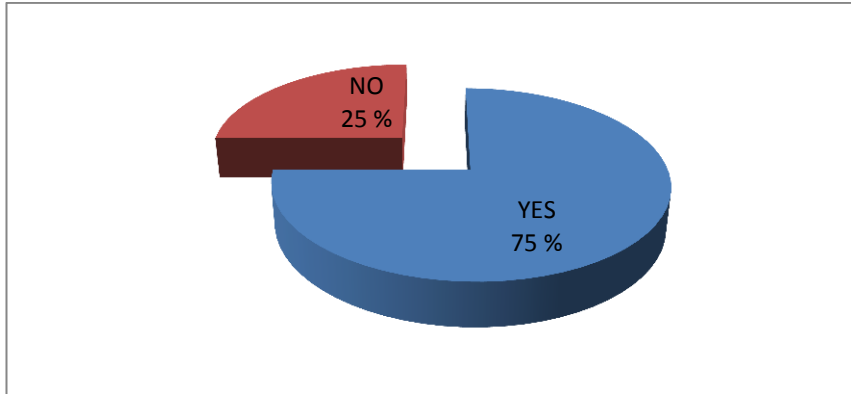
As said earlier about Vodafone Ghana, the firm offer internet connection and Land phones to both Business to business customers and business to customers as well as mobile phones and mobile networks (3G). The Figure 2.9 below shows in percentage the problem areas customers' face when using Vodafone Ghana's products and services.



Source: Field Notes

Ghana as a developing country is no exception where network providers always face challenges with an unstable network causing their customers to be furious or even worse switch to other alternatives. From figure 2.9 it is obvious that 33% of the respondents contact customer service call units for network problems to be rectified. 25% of the respondents have internet issues, 17% of the respondents have problems with airtime reloads, 15% of the respondents have problems with land phones and the least is 10% had problems with products. After the results of the survey were delivered to the representative of the management of Vodafone Ghana, Mr. Benesem, he admits that the management and technical staff work together on daily basis to ensure good quality network despite other challenges such as theft, demolition of underground network cables due to construction of roads.

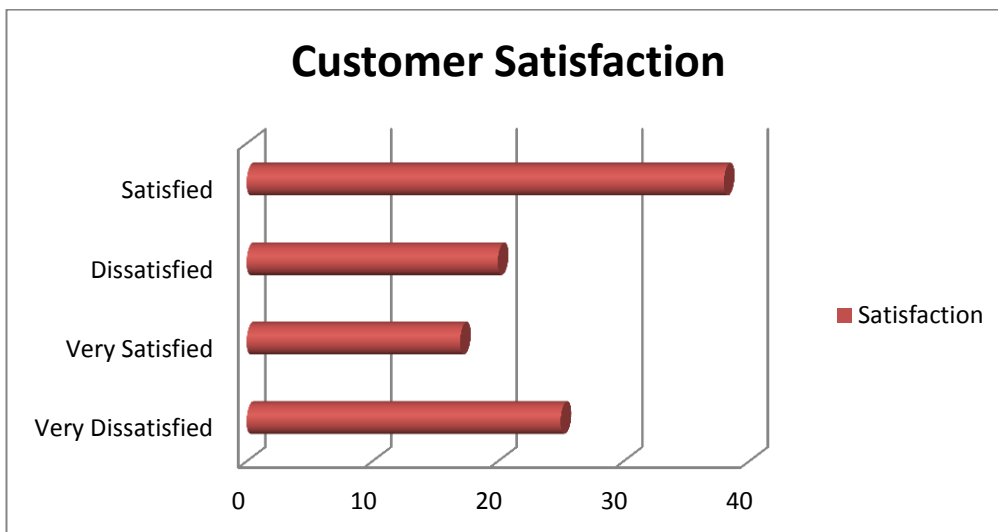
Figure 3.0 illustrates the percentage of respondents Vodafone Ghana follow up on customer's problems and issues.



Source: Field Notes.

38 respondents (75%) of the 50 respondents who contact the customer service call centers receive a follow up on their problems or issues while 25% of the respondent from the total of 50 respondents who contact the customer service units do not receive any follow up.

Figure 3.1 represents levels of customer satisfaction to the response of complaints

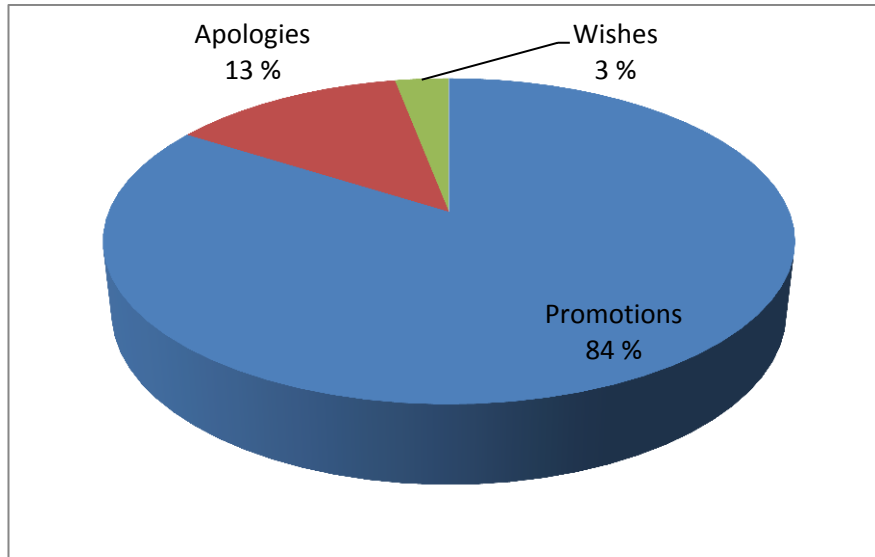


Source: Author's Field note (2014)

The figure 3.1 shows that 38 % of respondents are satisfied with the services offered thus 23 out of 50 respondents who contact the customer service units. 25%, representing 15 of the 50 respondents are very dissatisfied with how their complaint was handled, 12 respondents (20%) are dissatisfied, and 10 (17%) respond-

ents were very satisfied. This means an encouraging number of customers get satisfied with the response to their complaint by the Customer care unit.

Figure 3.2 shows the types of call/ Text customers received from Vodafone Ghana.



Source: Field notes

Analyzing the above pie chart is clear that Vodafone Ghana communicate with their customers through sales promotion, this represents 84% of the respondents receiving text of advertisement on sales promotion. The other contact from Vodafone Ghana represent 13% of the respondents receives apologies related to previous problem encountered by customers. The other 3% receives wishes such as birthday wishes and seasonal wish.

4.2 Analysis of Customer Care personnel at Vodafone Ghana

Table 3 working duration or experience of personnel at Vodafone Ghana, Circle branch. 45% of the working personnel have about eight years work experience and only 5 % have been working less than two years. Experienced work force is always an advantage when dealing with relationships with customers. Loyal customers like to be attended to by that one front desk person who they feel comfortable to have transaction with.

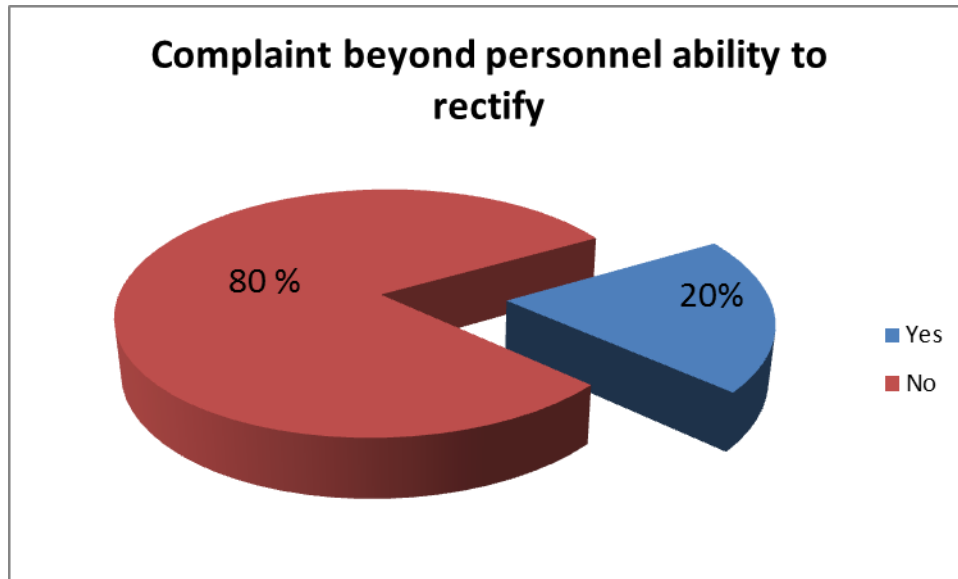
Working Duration	Frequency	Percentage (%)
0.1 yrs – 2 yrs	1	5
2.1 yrs – 4 yrs	5	25
4.1 yrs – 6yrs	3	15
6.1 yrs – 7.9 yrs	2	10
8 yrs & above	9	45
Total	20	100

Source: Field notes 2014

The Table 4 shows the last time agents went through refresher courses. How frequent customer service personnel to learn about new developments and improve their knowledge of it. 50 % of the respondents had a refresher course within the past three to six months. Mr. Benesem stated after the findings that the management organizes refresher courses twice annually. He went on to declare that over the years the refresher courses have improved in the service rendered to customers' problems and issues.

Duration	Frequency	Percentage (%)
3 - 6 months ago	10	50
7- 11 months	8	40
1- 2 yrs. ago	2	10
More than 2 yrs ago	0	0
Total	20	100

Figure 3.3 shows whether the service personnel receive complaints beyond their ability to rectify the problem.



80% or 16 of the total 20 respondents are able to rectify almost all the problems encountered; only 20% of the respondents are unable to solve some of problems and need external assistance. Mr. Benesem stated the finding of this research question is accurate and the refresher courses pay off as expected.

Table shows Educational background of Customer service personnel

90 % of the respondents have good educational background which reflects in how learning and adaptation skills improve productivity.

Education	Frequency	Percentage (%)
University & Above	18	90
Diploma	2	10
Professional	0	0
High school	0	0
Total	20	100

4.3 Qualitative Analysis of Data collected from Management Staff

After a personal interview with Mr. Benesam a representative of the CRM board, these are the findings that were acquired.

How has Vodafone Ghana fared on the Ghanaian telecommunication market so far?

Comparing the market share trends between January 2009 and March 2013, there has been an increment from 14.49% to 21.19% of the total share in this competitive industry (MTN, TIGO, AIRTEL, and GLO)

How does Vodafone Ghana reach its target customers?

With Over 40 Vodafone shops distributed all over Ghana and the ongoing construction of ten new shops in other remote areas. Some Vodafone shops such as Accra Mall Vodafone shop, AKim Oda Vodafone shop, Akosombo Vodafone Shop, Hohoe Vodafone Shop and many more.

Does Vodafone Ghana have its own customer acquisition program?

Of course, advertising is one of the simple communication tools to acquire new customers, which is in use. However, Vodafone Ghana uses positive word of mouth where loyal customers who have been using our service over a specific number of years can refer Vodafone product such as phones and accessories to others. In doing so, the loyal Vodafone customer win a Vodafone VIP package. This special Vodafone VIP package entitles members to enjoy special offers and discounts from retail shops. Some of these discounts include international flight ticket discounts, hotel discounts, and red carpet event hosted or sponsored by Vodafone Ghana.

How does Vodafone (Ghana) communicates with customers?

We execute some marketing promotion tools such as advertising in the newspapers, TV commercials, radio advertisements, and also bill board advertisements. We also adapt sponsorship as a marketing tool where we sponsor events to show the brand name.

Sales promotion in acquiring new customer where a promotion like "Cool Chop" where any lucky Vodafone Ghana Customer have equal chances of winning a house, car, or other incentives after the raffle is drawn.

Vodafone Ghana has the second largest fan page on facebook which is the main social media in Ghana. All advertisements, sales promotions and public relations, are posted on facebook and comments are being analyzed as feedbacks.

How does Vodafone Ghana retain customers?

We have a database where active and inactive customers are identified. Inactive customers are then contacted by text to remind them on their account balance and the last time they purchase airtime credit (minutes) for call. Unprofitable customers' SIM cards are deactivated and deleted from the database to have enough space for future potential profitable customers.

We capitalize on sales promotions where customers could enjoy reduced airtime credit, phones and other accessories.

For the business-to-business section, where Vodafone Ghana provides internet to firms and small businesses, annual sales promotions such as free first two months of a year subscription of internet connection are used to retain old inactive customers.

What are some of the customer centric approaches that Vodafone Ghana adapts to satisfy customers?

Vodafone Ghana's always considers putting value first not price, giving customers more value than their money. We reduced our per minutes charges by 15 % less in order for customers to talk more and pay less. Even though that reduction

cost the company money, our customer share has increased by about 5% more in four years.

Creating convenience for our customers is another customer centric approach we use. Since customer centric is about focusing on the customers matter rather than sales, we offer technician assistance as soon as possible when there is a problem beyond the customer service personnel's ability to solve it.

Do you have use any CRM software to keep data of the customers at Vodafone?

Yes, Vodafone Ghana uses CRM software but it is confidential and cannot to publish.

In case customer service personnel are unable to rectify a customer's problem or issue, what does Vodafone Ghana do next?

In this case, we make an apology call then ask into details what the problem is about. If the problem or issue still pertains, we send a member of our technical unit to check it out. Satisfying the customer is one of our main goals. Each customer is very important and full attention is given to every customer. Because we know negative word of mouth has a great impact on sales especially in Ghana, we try our possible best to explain well enough for our customers to understand why the problems still exists.

Mr. Benesam added that Vodafone Ghana engages in corporate social responsibility where donations are given out to communities, groups and Non-governmental organizations (NGOs). Also, the firm transformed the cancer ward at the Korle-Bu Teaching Hospital in Accra into one of the leading cancer treatment facilities in West Africa. The new 'Herbert Osei Baidoo Cancer Ward', was established as a lasting legacy to Herbert Osei Baidoo, a member of the Vodafone board, who passed away last year. The above signifies their commitment to customers and the public as a whole.

Mr Benesem added relationship and satisfaction starts from the management and then finally the customer. Activities such as the company's parties and other fitness events are organized for the employees to know each other well and have good relationship among them. The management knows the value of good relationship with its employees, which are one of corporate ethics of Vodafone Ghana. Also, the management shows appreciation to employees by improved allowances, benefits, training and salaries.

5 CONCLUSIONS AND ASSESSMENT

The research instrument used for the data collection was a questionnaire and an interview guide. The findings were derived from the responses provided to the questionnaire. Two different sets of questionnaires were administered to customers of Vodafone Ghana, customers care Agents (staff) and an interview guide used for gathering information from the management.

From the theoretical frame where Chen and Popovich (2003) describes the implementation of CRM is between people, process and technology, in the context of customer-centric, cross functional, technology driven and enterprise wide. The results from Vodafone confirms customer-centric approach where Vodafone Ghana first competing on the value of the services offered by using a systematic and random inspection of their mobile network and internet broadband areas to be able to meet the needs of their customers. Also Vodafone Ghana adapts the cross functional where in case of a problem or issue could not be rectified by the customer service person, it is transferred to the higher managements and then to a technician to have face to face encounter with the customer to explain why, how the issue is still persisting and whether it can be rectified or not. This confirms there are good cooperation, collaboration, and commitment from organizational members in every department. Vodafone uses CRM software to manage, obtain, manage, process, and interpret customer information more conveniently and efficiently and this confirms with technology driven of the implementation of CRM in the context of customer-centric approach. Due to confidentiality the information about the software, it cannot be published here.

Another aim of the thesis was find out to what extent Vodafone Ghana's customers satisfied with their services and also how customers become loyal through the customer centric approach. The aim was achieved as over 50% of the respondents are satisfied with the services. A greater percentage of the customers are satisfied with the products and service of Vodafone Ghana. The second is that Vodafone Ghana adapts several marketing promotion tools to communicate with its customers. About 84% of the text messages received from Vodafone Ghana are promo-

tions. The marketers at Vodafone Ghana use social media, especially Facebook, to advertise products and service, sales promotions and public relation matters.

Customers trust customer service personnel and that their problems or issues will be rectified. This trust did come about at once; most of the customer service personnel have over four years working experience where within every year they attend refresher courses. These refresher courses help these employees to learn about new developments and improve their knowledge in the service industry. Any problems or issues above the ability of the customer service personnel to solve are being followed up by skilled field technicians.

5.1 Research limitation

Acquiring both quantitative and qualitative data was very difficult because I had only a few months to administer and collect questionnaires for analysis. One of the difficulties was living abroad and conducting a study on a case study in my home country of Ghana. Out of 150 questionnaires administered only 60 were valid, 12 were not completed, and the other 78 were not returned for analysis. This obviously affected the results of the survey and therefore the results may not represent the actual population of the customers of Vodafone Ghana.

5.2 Reliability

The interview with Mr. Benesem contains qualitative data creating convenience for the customers is indeed a customer centric approach, thus, focusing on customers rather than sales and putting customers' needs as the a priority.

Customers will always want a value for their money. Going the extra mile by providing a value greater than expected makes customer not only satisfied and excited which may result in positive word of mouth. Referrals of brand helps widen the customer base of every firm resulting in increase in sales.

The reliability of the survey is considered low. This is because data collected from the sample drawn may not represent the whole population of the firm's customers.

This may cause the results of the thesis to have a lower reliability. The survey reflects a higher validity because the questions are related to the survey and it measures what is supposed to measure. The questions asked in the questionnaires were reasonable way to obtain information for the research.

5.3 Further studies

While a lot surveys recommend customer-centric approach when dealing with CRM, few researchers also suggest product-centric is better approach of marketing. A survey could be conducted to find out which one of the approaches is better and also considering the kind of industry the firm operates. Another research on a similar firm in the telecommunication industry which offers more products and services can be used as the case company to find out how the firm adapts both customer-centric and product-centric approach to enhance productivity and also keep long lasting relationships with customers.

Also, the survey could be revised with a bigger sample size and where two or more telecommunication firms could be used as the case. The results could be compared among firms to find out which customer-centric approach of marketing is more appropriate for the Telecommunication Industry of Ghana.

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APPENDICES

SAMPLE QUESTIONNAIRE.

Questionnaire

Set One

CUSTOMERS

DEAR SIR/ MADAM

You have been selected to be a respondent on questionnaire for study on **CUSTOMER-CENTRIC A STRATEGIC TOOL IN THE TELECOMMUNICATION INDUSTRY OF GHANA (VODAFONE GHANA)**. You are assured that

any information you provide is solely meant for the research and nothing else.

Your response to the questions will be kept confidential.

Thank You.

Please tick which best fit

Section A Bio Data

1. Sex : Male(☐) Female (☐)
2. Age Group: [☐]20 – 30years [☐]31 – 40years [☐]41 - 50years [☐]51 – 60years
3. Level Of education a)University and above [☐] b) Diploma [☐] c) Professional Training [☐] d) Secondary

Section B

1. How long have you used the Vodafone Network?
2. Do you use any other network? Yes/ No

If yes list them.....
3. What do you do when you encounter a problem with your network?

Call customer care (☐) call a friend (☐) Work it out myself (☐)
4. Have you ever called customer care in the case of a problem?

YES/ NO

5. When was the last time you contacted customer care centre?

i. 1-2weeks ago () ii. 2week – 4weeks ago iii. () 1- 2 months ago

6. What was the problem? Problem with

Airtime reloads [] Network problems [] Land phone [] Internet []

Others specify

.....

7. Were you attended to? Yes/ No

8. How prompt was the response? Quickly Slow..... Very

Slow..... None

9. How was the response? Please tick

Satisfied	Very satisfied	Dissatisfied	Very dissatisfied

10. Do you receive any calls/ text from your network provider if yes, what is it about?

- i. Promotions [] ii. Apologies for in-convinces caused [] iii.
Wishes []

STAFF

SET TWO

Dear Sir/ Madam

You have been selected to be a respondent on questionnaire for study **CUSTOM-ER-CENTRIC A STRATEGIC TOOL IN THE TELECOMMUNICATION INDUSTRY OF GHANA (VODAFONE GHANA)**. You are assured that any information you provide is solely meant for the research and nothing else. Your response to the questions will be kept confidential.

Thank You.

(SET 3)

Section A Bio Data

Please tick

1. Sex: **Male** [] **Female** []
2. Age Group: [] 20 – 30years [] 31 – 40years [] 41 - 50years [] 51 – 60years
3. Level Of education

- a) University and above ☐ b) Diploma ☐ c) Professional Training ☐ d) Secondary ☐

Section B

4. How long have you worked with Vodafone?

☐ 0 – 2years ☐ 2 – 4years ☐ 4 – 6years ☐ 6 – 8years ☐ over 8 years

5. How long have you been working at customer care centre?

☐ 0 – 2years ☐ 2 – 4years ☐ 4 – 6years ☐ 6 – 8years ☐ over 8 years

6. Are you given training before you start work? Yes/ No

If yes, for how long?

1- 2weeks ☐ 3- 4 weeks ☐ 1month- 3months ☐

7. Do you get to be at refresher courses to improve your status in your work schedule? Yes/ No

8. When the last time you had one?

a) 1 – 2weeks ago ☐ b) 1month- 3months Ago ☐ c) 3– 6months Ago ☐

d) 6months- 12months Ago ☐

9. How many complaints do you receive in a day? 1- 10[☐], 10-20[☐], 20- 50[☐]

10. What is the most common compliant?

Problem with a) land phone [] b) network [] c) Airtime [] d) Internet []

11. When was the last time you received such a complaint, (i.e. the complaint mentioned above?

a) 5mins – 10mins Ago [] b) 20min – 50mins [] c) 1hr -3hrs []

12. What is the first thing you do when you receive such a complaint?

.....

13. Have you received complaints beyond your capabilities? Yes/ No

14. What did you do?

a) Try solving it on my own [] b) consult colleague [] c) consult Management []

15. How long did it take?

a) 10- 30 mins [] b) 40- 60mins [] c) 1- 3days [] d) 1 week – 3weeks []

Appendix C:

INTERVIEW GUIDE

MANAGEMENT

1. How has Vodafone Ghana Faired on the Ghanaian market so far?
2. Do you have any exiting procedures for distribution of goods and services, if yes, how is it done?
3. What are some of the measures primed for Vodafone's relations to its customers? (Internal and external customers)
4. Do you communicate frequently with your customers?
5. Anyways of enhancing it?
6. Does relationship with your customers have a bearing on productivity? if yes how?
7. Do you train your customer relations agent/ Call centre representatives?
8. How long? When was the last time you had one?
9. Any refresher courses for them (Customer/ Call centre representatives?
10. What are some of the customer centric approach does Vodafone Ghana adapt to satisfy customers?
11. What is the first point of call if they encounter problems beyond them

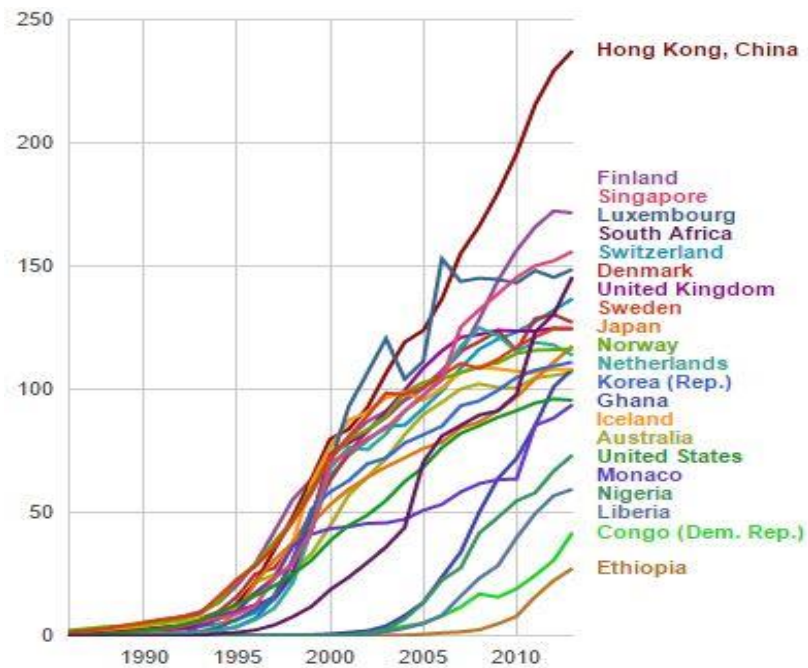


Figure 1.0 Mobile phone subscription per 100 inhabitants (source: the ICT development index 2013).

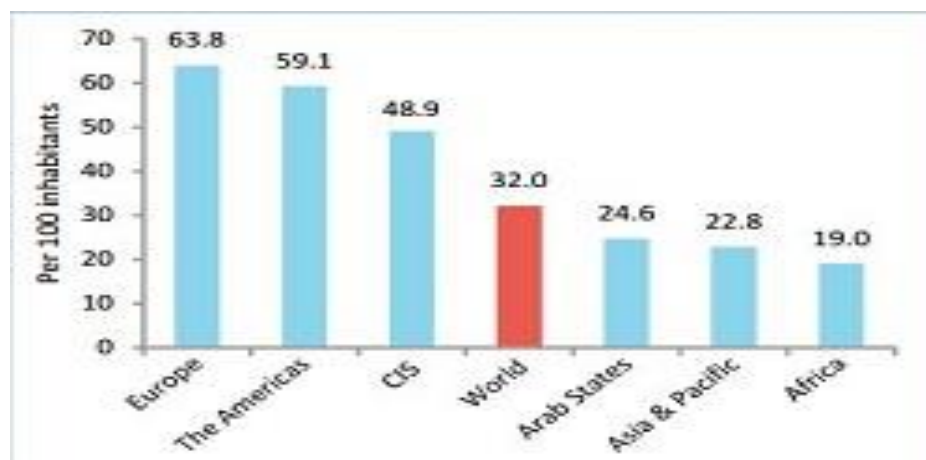


Figure 1.1 Active mobile-broadband subscriptions by region. (Source: ITU Telecommunication/ICT Indicators database 2015).

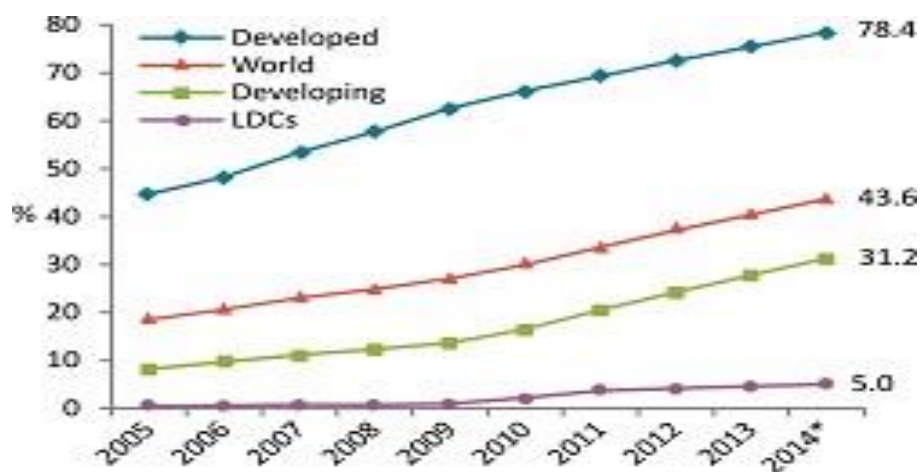


Figure 1.2 Percentage of household with internet access by level of development (Source: ITU Telecommunication/ICT Indicators database 2015).

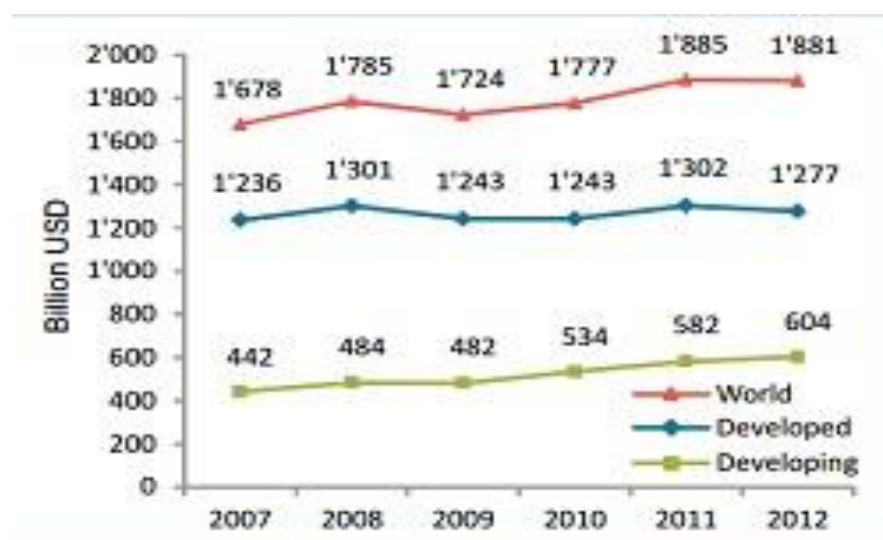


Figure 1.3 Global Telecommunication Revenue (Source: ITU World Telecommunication 2015)

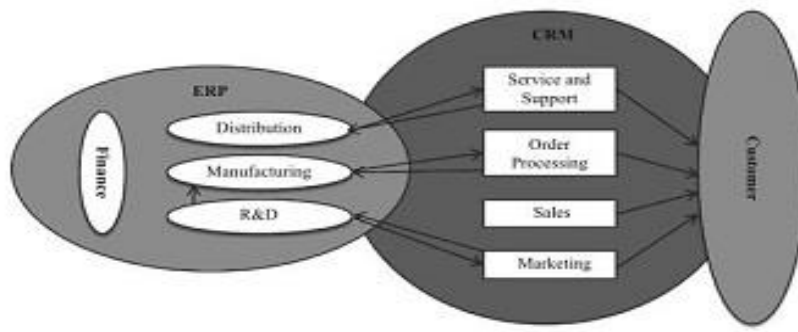


Figure 1.4 Integration of front-end customers with back-end systems (Source: V. Kumar, Werner Reinartz, Customer Relationship Management).

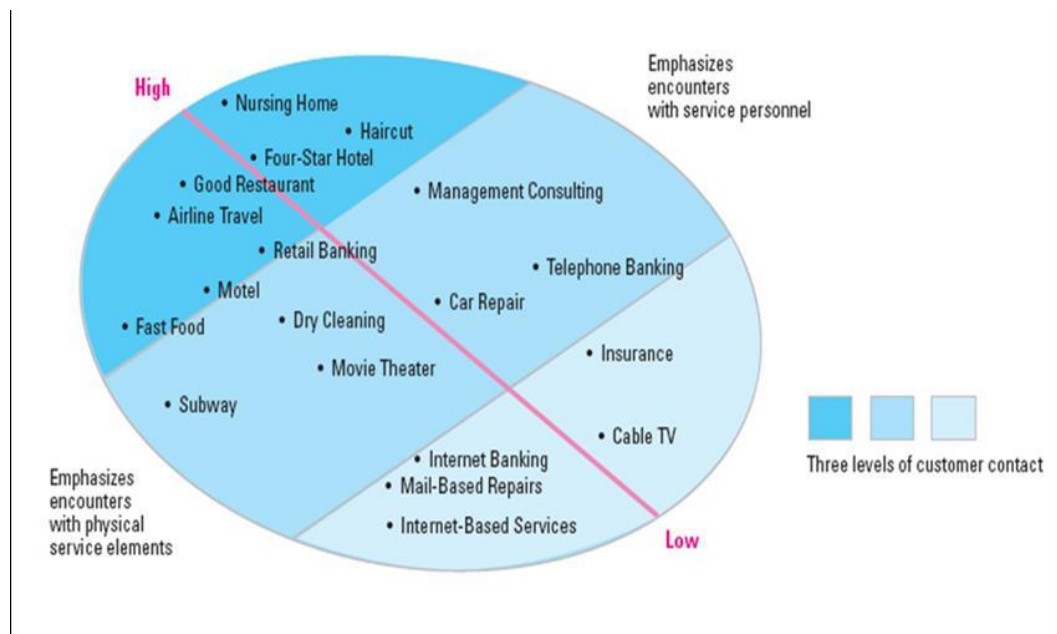


Figure 1.5 Service encounter ranging from high-contact to low contact (source: Lovelock, Wirtz, and Chew 2009)



Figure 1.6 The Pillars and process of customer relationship management (source; Raab, et al... Customer relationship management: A global perspective, 2008)

An interpretation of the differences between the old communication channels and the Internet (adapted from [5]).

Old media	Internet	Comment
One-to-many communication model	One-to-one or many-to-many communication model	Theoretically the Internet is a many-to-many medium, but for company-to-customers communication it is best considered as one-to-one
Mass marketing	Individualised marketing or marketing customisation	Personalisation possible because of technology to monitor preferences and tailor content
Monologue	Dialogue	Indicates the interactive nature of the World Wide Web, with the facility for feed-back
Branding	Communication	Increased involvement of customer in defining brand characteristics. Opportunities for adding value to brand
Supply-side thinking	Demand-side thinking	Customer pull becomes more important
Customer as a target	Customer as a partner	Customer provides more input into products and services required
Segmentation	Communities	Aggregation of like-minded consumers rather than arbitrarily defined target markets

Table 1, interpretation between the old media channels and internet (Source: D. Chaffey et al., Internet Marketing (Prentice Hall, Harlow, 2000).

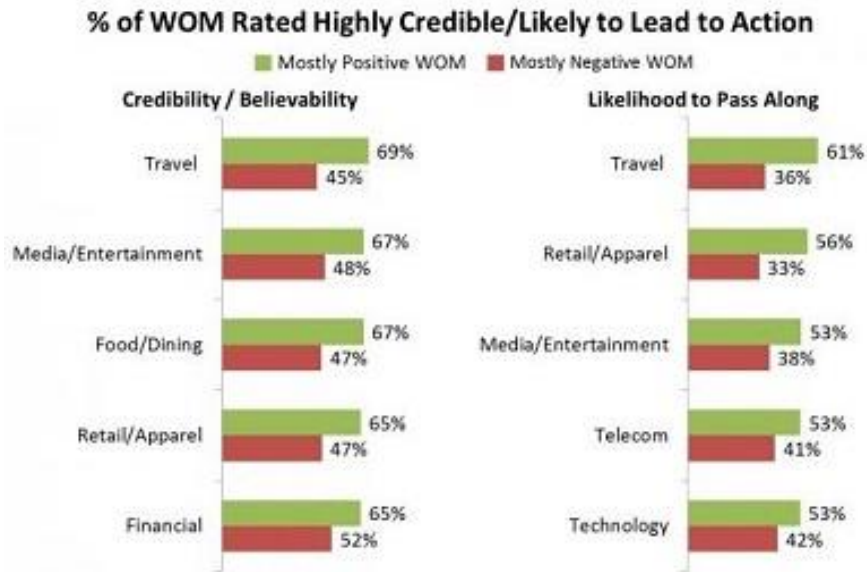


Figure 1.7 Percentage of WOM rated highly credible/ Likely to Lead to Action
(Source: Keller Fay's TalkTrack, October, 2012 - September, 2013)

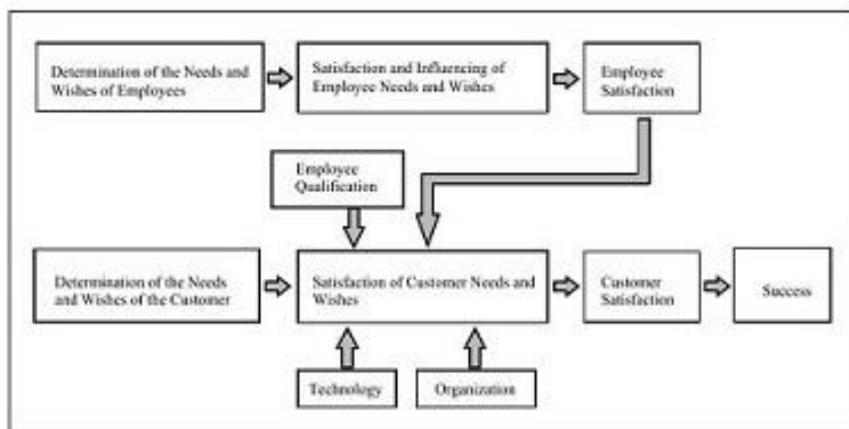


Figure 1.8 Interaction of factors that influence customer orientation and customer satisfaction. (Raab, Gerhard, Ajami et al, Customer relationship management: a global perspective, 2008).

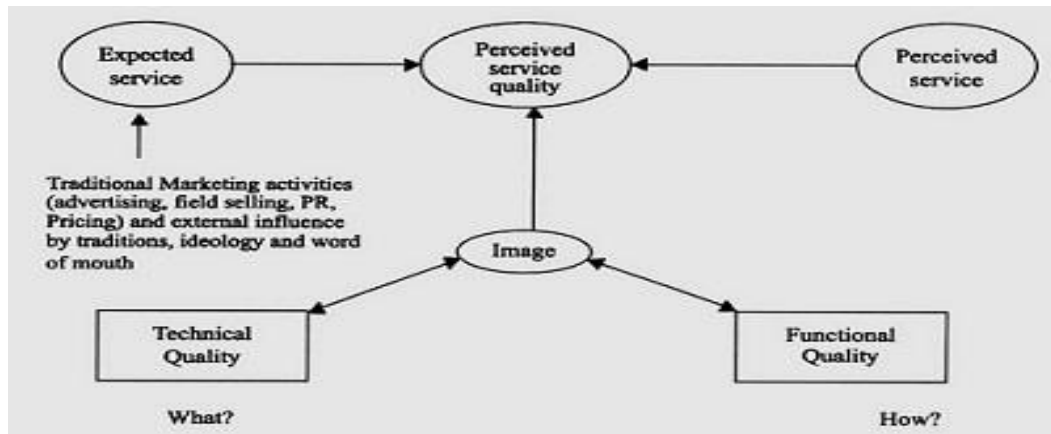


Figure 1.9 Technical and Functional Model (Source: Grönroos, C. (1984), "A service quality model and its marketing implications", European Journal of Marketing, Vol. 18 No. 4)

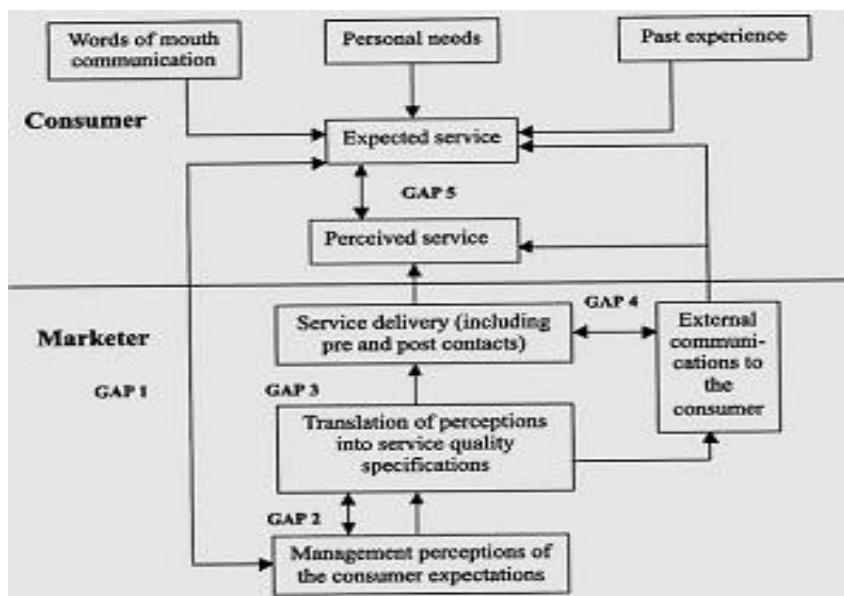


Figure 2.0 Gap Model (Source: Parasuraman, A et al., (1988) "SERVQUAL: a multiple item scale for measuring customer perceptions of service quality", Journal of Retailing).

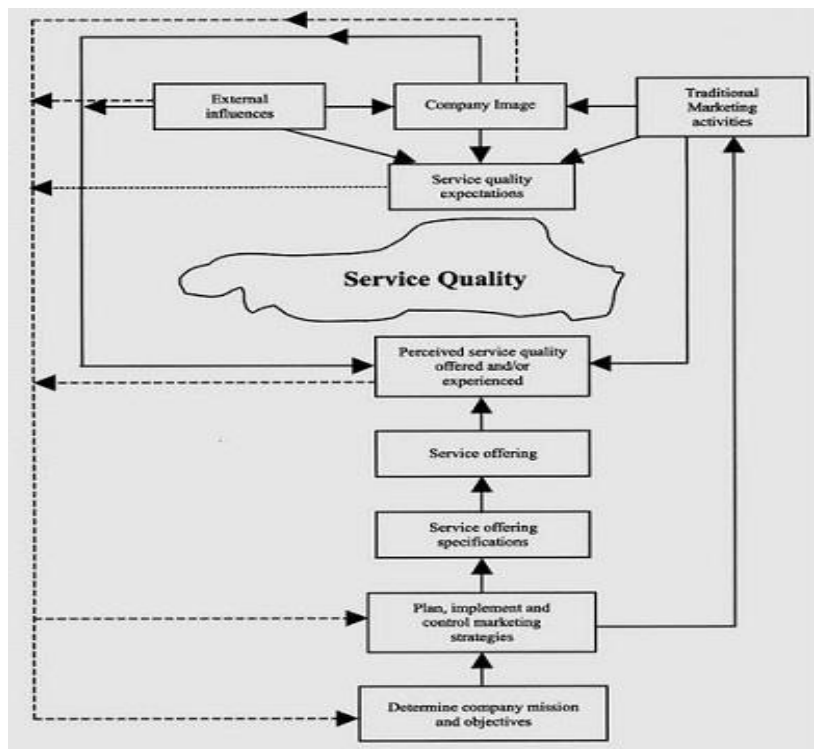


Figure 2.1 the synthesized model of service quality (Source: Brogowicz, et al., (1990), "A synthesized service quality model with managerial implications", International Journal of Service Industry Management)

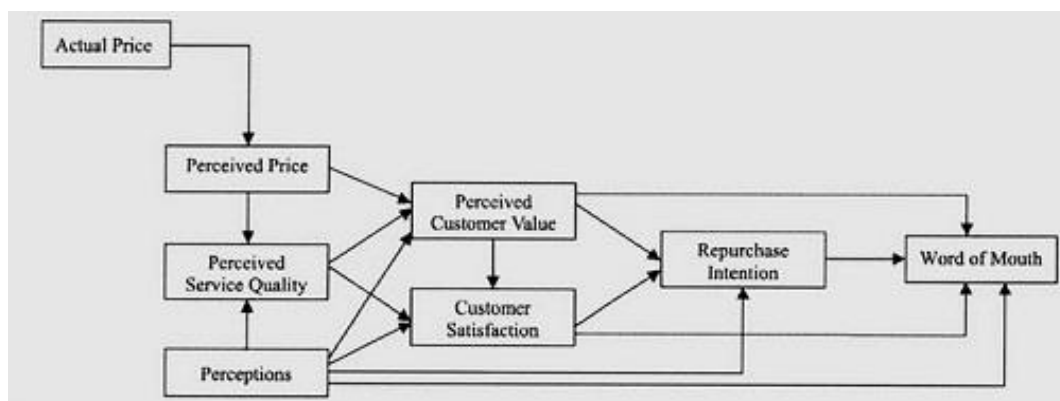


Figure 2.2 Service quality, customer value and customer satisfaction model (Source; Oh, Service quality, customer satisfaction and customer value: a holistic perspective", International Journal of Hospitality Management, 1999).

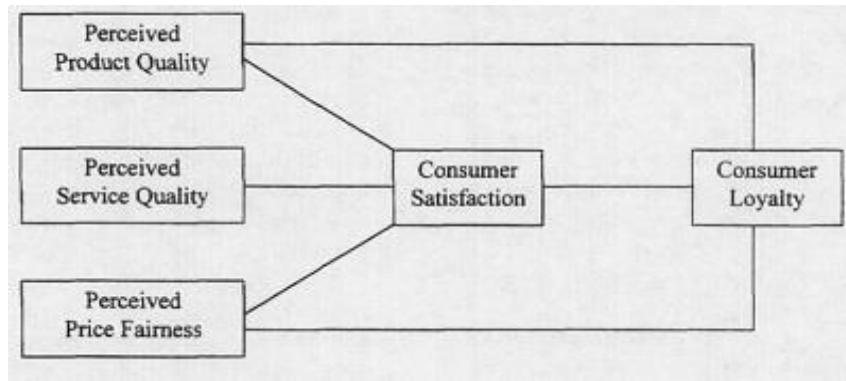


Figure 2.3 Practical models for the effects of perceived product quality, service quality and price fairness on consumer satisfaction and consumer loyalty. (Source: Parasuraman et al., A Multiple-Item Scale for Marketing Consumer Perceptions of Service, 1988).

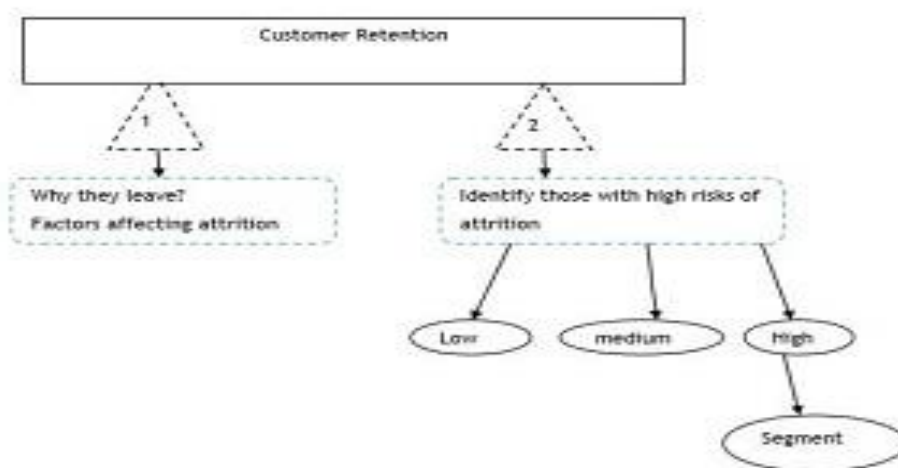


Figure 2.4 Customer retention conceptual frame (Source: Lowenstein, W. 1995. Customer retention: an integrated approach for keeping your best customers, Michigan ASQC. Quality Press)



Figure 2.5 eLoyalty matrix

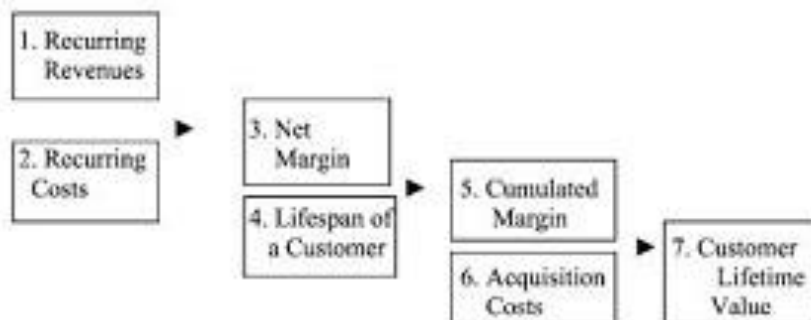


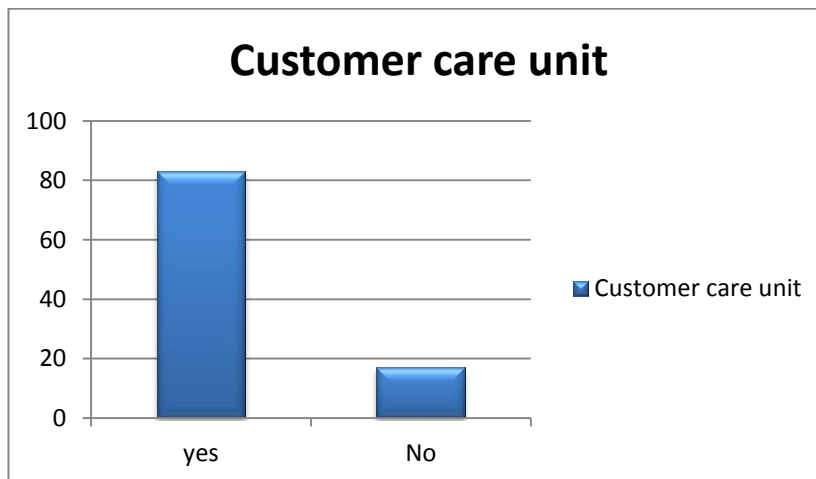
Figure 2.6 Seven step process to measure customer lifetime value (Ashok Ranchhod and Ebi Marandi, CIM Coursebook 05/06 Strategic Marketing in Practice, Elsevier Butterworth-Heinemann, Massachusetts, 2005)

Table 2 shows how long customers have patronized the goods and services of Vodafone Ghana.

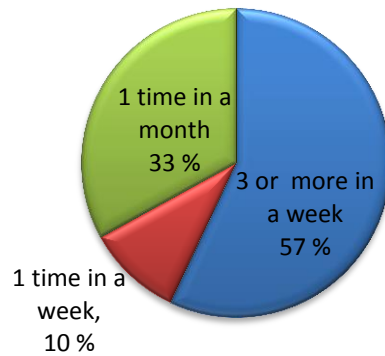
Duration	Frequency	Percentage (%)
1 month – 11 months	6	10
≥ 1 yr. – 5 yrs.	25	42
6 yrs. - 10 yrs.	24	40
10yrs. – 20yrs.	5	8
Total	60	100

Source: Field notes

Figure 2.7 and Figure 2.8 below shows Usage of customer service call unit or center and how frequent the customer service call unit is contacted.



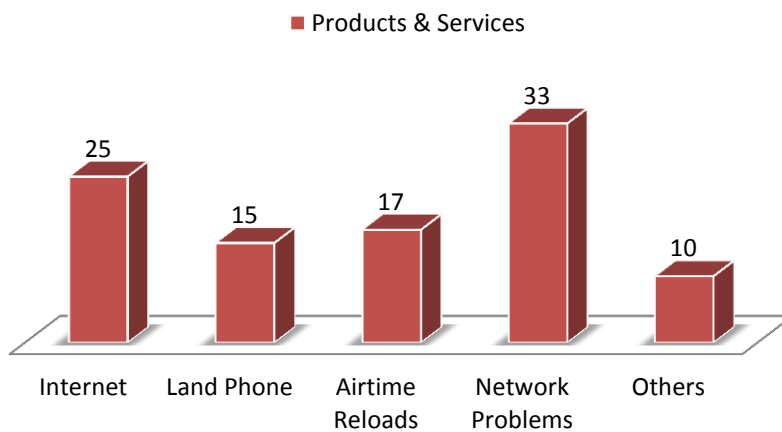
utilization of customer care units



Source: Field Note

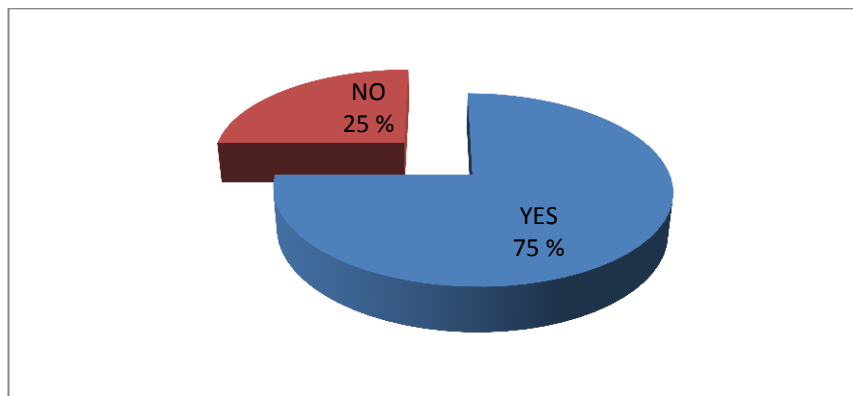
The figure 2.9 below shows in percentage (%) the challenges customers face using Vodafone Ghana's products and services.

Products & Services



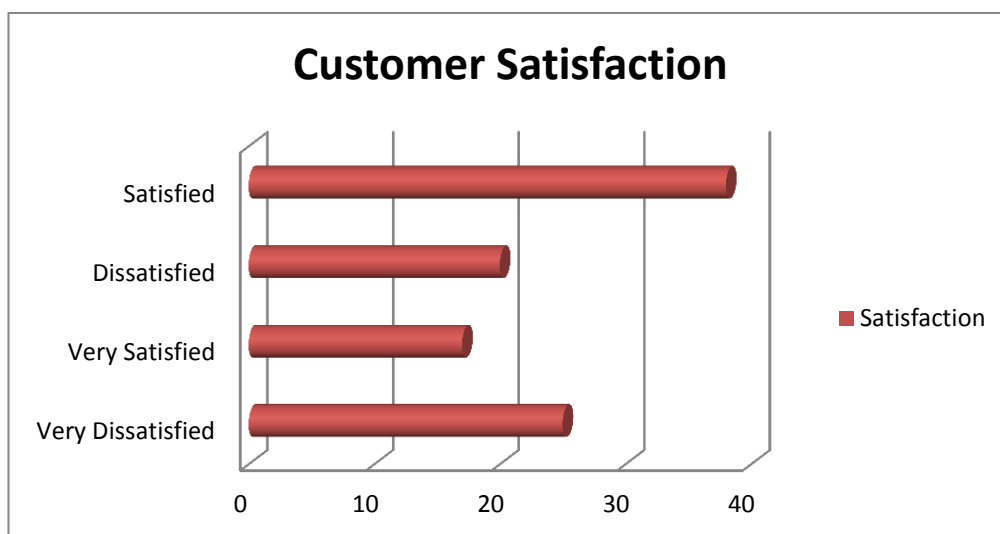
Source: Field Notes

Figure 3.0 illustrate the percentage of respondents Vodafone Ghana follow up on customer's problems and issues.



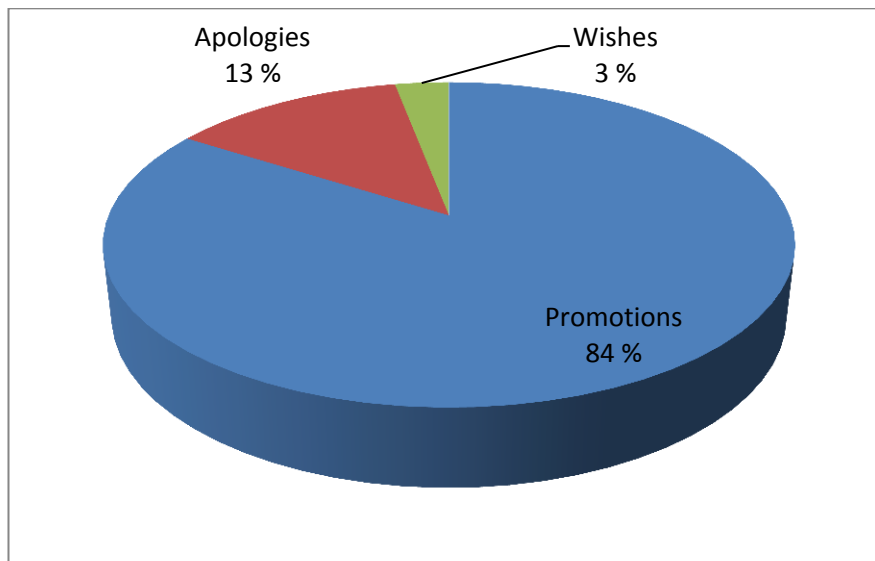
Source: Field Notes.

Figure 3.1 represents levels of customer satisfaction to the response of complaints



Source: Author's Field note (2014)

Figure 3.2 shows the types of call/ Text customers received from Vodafone Ghana.



Source: Field notes

Table 3 shows the working duration of personnel

Working Duration	Frequency	Percentage (%)
0.1 yrs – 2 yrs	1	5
2.1 yrs – 4 yrs	5	25
4.1 yrs – 6yrs	3	15
6.1 yrs – 7.9 yrs	2	10
8 yrs & above	9	45
Total	20	100

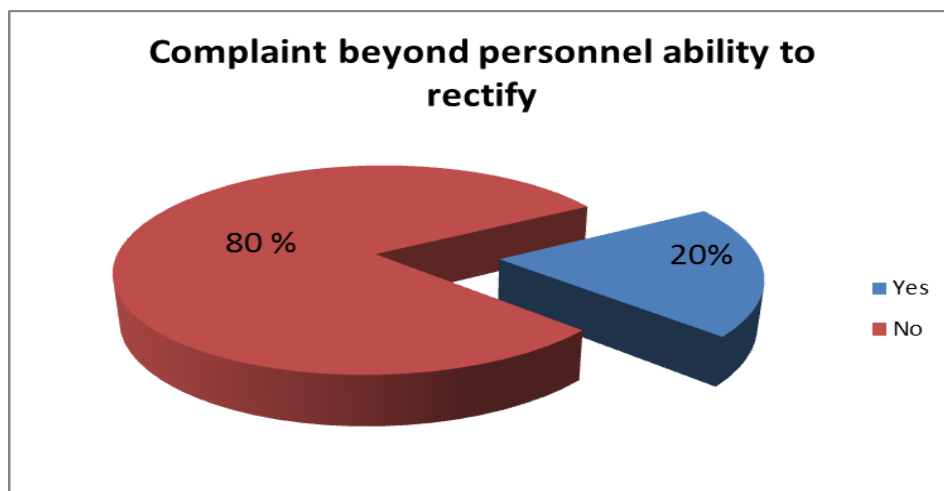
Source: Field notes 2014

The Table 4 shows the last time agents went through refresher courses

Duration	Frequency	Percentage (%)
3 - 6 months ago	10	50
7- 11 months	8	40
1- 2 yrs. ago	2	10
More than 2 yrs ago	0	0
Total	20	100

Souce: Field Notes

The chart (Figure 3.3) below shows whether the service personnel receive complaint beyond their ability to rectify the problem



Souce: Field Notes

Table shows Educational background of Customer service personnel

Education	Frequency	Percentage (%)
University & Above	18	90
Diploma	2	10
Professional	0	0
High school	0	0
Total	20	100

Souce: Field Notes