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## EVALUATION OF CUSTOMER SERVICE AND RETENTION; A COMPARATIVE ANALYSIS OF TELECOMMUNICATION SERVICE PROVIDERS

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### ABSTRACT

**F**or a product to receive complete loyalty depends not only on the quality of the product but also on the satisfaction derived from such product. All three, loyalty, quality and satisfaction are significant factors that show how effective the customer service of an organization is. When customer service is effective then customer retention/ retention of product is considered. This study was carried out to investigate on the effectiveness of customer service in the retention of GSM SIM packs using a comparative analysis. Data were collected through the use of questionnaire administered to a determined sample size of users of the three major GSM service providers. Data were analyzed and the four hypotheses were tested using correlation and ANOVA. This study shows that with effective customer service, customer loyalty and customer satisfaction and customer retention can be achieved. Though it is observed that to achieve the afore-mentioned factors, concepts such as customer expectation, customer-focus and service quality should be regarded with utmost importance.

**Keywords:** Customer service, Customer retention, Customer loyalty and Customer satisfaction.

## 1.1 Introduction

In today's competitive environment, the concept of customer service management has played strategic roles in the improving, managing, retaining and developing customers' loyalty. When industry, manufacturing and large cities began to grow, the service industry began to gain ground. Due to the changing economic trend, the outlook of business activities have significantly changed and shifted from a high reliance on manufacturing companies to focus on providing timely and quality service delivery. The age of the service economy has been alive and strong for sometime now. Therefore, in order to provide quality service to customers in this present time, organizations must have appropriate and comprehensive knowledge of who they are meant to offer services to, what form of service should be delivered and in the case of this study, what they want their end product to be. In an attempt to resolve the question on what form of service should be rendered to customers, Davis & Heineke (2003) noted that, Services are intangible (Alam and Khokhar, 2006) and therefore more difficult for both service providers and the customers to measure and evaluate objectively. They went on to say that services are produced and consumed simultaneously, meaning that either the customer or a possession of the customer is involved in the process while the service is being delivered. Aronould, Price and Zinkhand (2004) posited that no organization can provide essential and quality service delivery without the requisite to understand further than the basic characteristics of services and what they value.

The concept of customer service has been defined by different people with different connotations. However depending on an organization's focus such as retailing, industry, manufacturing or service the goals of providing customer service may vary. In fact, we often use the term service industry as if it were a separate occupational field unto itself; in reality, most organizations provide some degree of customer service. Bolaji (2009) defined customer service as the capability of well-

informed, consistent, proficient and passionate employees to provide/offer products and services with a view of identifying and satisfying the needs, demands, values and expectations of the consumers/customers (Ehigie, 2006). Every organization, especially in the telecommunication sectors, has to take into consideration how best to serve its potential and current customers if it intends for such customers to retain it's product or service. The development and expansion in the telecommunication industry today has paved way for economic development and satisfaction. The most important development and discovery is the wireless telephone system, which comes in either in fixed wireless telephone lines or the Global System of Mobile Communications (GSM) of which Nigeria is not left out. The advent of Global System for Mobile Communications (GSM) in August 2001 marked a dramatic shift in Nigeria's telecommunication industry. The telecommunication sector was officially deregulated in 1992 with the establishment of the Nigerian Communication Commission, which issued various licenses to private telecommunication operators. Return to democracy allowed for the granting of GSM licenses to 3 service providers: MTN, ECONET (later called VEEGO then VMOBILE and presently bought over by CELTEL) and NITEL PLC in 2001 and the granting of Second National Operator (SNO) license to GLOBACOM in 2002. (Retrieved from ITP Online Ltd).

Studies (Colgate and Norris, 2001; Bowen and Chen, 2001; Lauren & Lin, 2003; Lee and Hwan, 2005; Lucas, 2005; Mishra, 2009) on customers' service, customers' loyalty and customers' retention are no longer a new topic in the field of customer relationship management practices and philosophies BUT in spite of the attention and resources paid to the practice, it continues to generate extreme dissatisfaction among customers. In otherwords, limited studies have been carried out regarding the effectiveness of customer service in the retention of GSM Sim Packs in the transition economy such as Nigeria.

Evidently, a gap exists in the literature regarding customer relationship development and organizational growth in the Nigerian manufacturing context, which this survey tends to fill. Therefore, this survey addresses the effectiveness of customer service in the retention of GSM Sim Packs in transition economy and in particular Nigerian Telecommunication Industry. It reveals the history of customer service and in lieu discuss the need for quality service to customers. It aims to establish the relevance and significance of customer satisfaction in the realization of effective customer service and also to determine what effect customer service has on customers retaining their GSM SIM Packs. Hence, the study will showcase the influence of quality customer service as a tool for competition and success among GSM operators.

Basically, the research work aims at providing answers to the following questions which are:

1. In what ways has the history/development of customer service improve the need for quality service to customers?
2. What is the relevance and significance of customer satisfaction to the realization of effective customer service?
3. In what ways has the relationship between customer satisfaction influences service quality in its relation to achieving effective customer service?
4. To what extent has customer service influences customers retaining their GSM SIM Packs?
5. How has the quality of customer service been useful in facilitating competition and success among GSM operators?

### 1.2 Significance of the study

The research will be beneficial to all service organization especially the telecommunication sectors as it emphasized the need and encourage the establishment of policy guidelines on the efficient and effective customer services and relationship programme. The study shall have a

great impact on individuals, management, large corporations, universities, organization, customers/subscribers, government and the society at large. Subsequently, it will enhance and the society at large. Subsequently, it will enhance good suggestions for achieving quality customer service that will facilitates customers' retention and loyalty. Moreover, the study shall provide framework which will assist business organization and the society as a whole on how to evolve an enduring customer relationship management and programmes capable of assuring that customers retain their GSM SIM Packs which subsequently will lead to operational excellence, competitive/distinctive advantage and success among GSM operators. It will help managers of various telecommunication organizations to generate ideas and solution to customers based problems. Finally, it will be of great value to management, researchers, investors, government and students as a point of reference and will equally form the basis for further research study.

### 2.0 Literature Review

Many attempts have been made to define the term *customer service*. Many individuals, authors and write-ups have defined customer service from their own different perspectives. But the word, *customer service* cannot be properly quantified without first defining it in its separate form. The growth in services, especially in the industrialized nations of the world, has reached a point where services now comprise the vast majority of their economies. Consequently, services can no longer be ignored or relegated to third-class status (Davis, Heineke, 2003). Customer service as defined by Davis and Uttal (1998) is, "everything an entrepreneur offers that helps to separate his product(s) from his competitors' own. Customer service refers to the activities and programs a seller provides to make a relationship satisfying for his/her customer. (Futrell, 2005)

## Customers' Retention

Customer retention is the action or movement an organization undertakes for the main purpose of reducing consumers' anxiety and fear about a product or service in order to increase the lifespan of a customer. The success in achieving customers' retention begins with the needs identification (Kassim and Abdullah, 2010), the level of satisfaction which continues throughout the entire lifetime of a relationship (Kandampully and Suhartanto, 2000). The ability of every establishment of organization to entice, retain current customers and attract new customers is not only connected to its item for consumption or services, but essentially associated with the image and reputation it creates within and across the marketplace. Customer retention goes beyond satisfying the present expectations of the customers instead it is helpful in anticipating their expectations so that they become loyal supporters and promoters for the company's brand. To survive in a global and competitive environment, it becomes imperative for organizations to offer and deliver a consistent high standard of customer service.

In the recent times, it has been demonstrated that average business organizations loses around 30 percent of its customers due to their level of insensitivity to customer relationships. Paradoxically, most business organizations invest huge amount of money, time, struggle and work/strength in developing and maintaining customer relationship. But as soon as they experience expansion and sales growth, they eventually neglect, ignore the customer while pursuing more businesses and let the established relationship fade away. Han, Kwortnik and Wang (2008) posited that the simplest way to develop a business is to maintain and keep the customers. Business development and expansion is determined by how best an organization can keep and retaining their current customers (Gee, Coates and Nicholson, 2008). Ehigie (2006) asserted that customers retention will become a distant dream if

the following are not taken into consideration: relieving customers from anxiety and fears (Naeem and Saif, 2009); demonstrate by actions that the organization cares for them (Lucas, 2005); paying urgent attention to customers' needs and requirements (Oyeniya and Abiodun, 2008); proving that the organization values, recognizes and respect them (Petasis and Opoku-Mensah, 2009); maintaining a consistent contact, paying quick attention to their complaints (Saunders and Petzer, 2010); acknowledging them and keeping them informed (Patterson, 2004); commitment to customer fulfillment by every member of staff (Lee and Hwan, 2005); dependable on-time delivery; error-free-delivery process and employing exceptional persons to deliver better customer service (Kassim and Abdullah, 2010), etc.

The incessant hunt of operational distinction in keeping customers becomes essential when the customers inform others how well they were treated when doing business with them. Jones, Beatty and Mothersbaugh (2002) adduced that customers' retention involves keeping in touch and building relationships with the customers through the various means of communications such as mails, phone calls, letters, special gifts/offers, follow-ups, and cards or notes with a personal touch (Bowen and Chen, 2001). Churchill and Brown (2004) also demonstrated the significant role of communication in promoting customers retention. Jamal and Naser (2003) added that these forms of communication must continually occur from time to time. Customers not only appreciate this, it arouses their sense of belongings because it makes them feel respected, esteemed and important. It acknowledges them, keeps them informed, offsets post-purchase doubts, reinforces the reason they're doing business with you and makes them feel part of your business so that they want to come back again and again. Long-term success and customer retention are earned by companies who comply by the established ethical values. Organization must take into cognizance what they

say and do and what the customers' experience. The scheme, essential quality services, dependability and reliability of the item for consumption or service must be of good standard to satisfying the needs, values, demands (Naeem and Saif, 2009) and expectation of the consumers (Kotler, 2003). Hence, customers are always attracted to organizations who are transparent, consistent, truthful, direct/open and honest with them, and also genuinely show affection and interest in them. The survival of every organization therefore becomes a dependent factor on customers' satisfaction, loyalty and retention.

Studies demonstrate that generating new customers are often costly and expensive than maintaining or retaining an existing one. Studies have revealed that improvement in customer service will eventually lead to customers' retention which will optimally bring out increase in profits across a wide range. The profits (income and proceeds) of every organization will

significantly increase as they are attracting new customers without losing existing ones. Organizations are established to provide quality and essential services that will make the customers happy. Zeithml and Bitner (2003) stated that in retaining customers, it is important to deliver quality service that is distinct and consistent with the organizational value scheme and brand. Walsh, Groth and Wiedmann (2005) added that organization who strives to retain and satisfy customers requirements, will sure increase in profit. Uncles, Dowling and Hammond (2003) added that in a situation where an organization has an outsized number of customers with limited increase rate for customers' retention, there will still bbe a progression in the profit level. Hence, for every organization to survival the competitive world, it is important to develop an effective customer retention strategy that that will meets the needs, aspiration, demands and requirements of the customers. This can be represented below:



**Source:** Adapted from *Virtuous Circle in Management*

## Customer Loyalty

The role of customer loyalty cannot be quantified in keeping business thriving. The success of every business is the ability to consistently follow up the purchasing decision in a way that has a positive effect on the customer. Effective follow-up begins instantaneously after the sale, when organization calls to recognize and appreciate the customer for patronizing them by saying "thank you" and find out what or how they feel about the product or service. Customer loyalty can also be seen as a new form of directing organizational resources (Petasis and Opoku-Mensah, 2009) and employees to a structure that can reliably, dependably and consistently satisfy the customers (Tumi, 2005). According to Varki, and Colgate (2001), customer loyalty begins by letting the customers know what the company values about them (the customers). This can be expressed in form of a memo, newsheet, bulletin, newspaper, newsletter mailed to their current customers, and at the same time, it can be in form of a phone call (more of informal). It becomes important for organizations to inform the respective customers on the excellent services provided and made available for the customers. Sending gifts can also be an excellent follow-up tools for building customer loyalty. Organization can also build customer loyalty by sending interesting gifts such as regular customers birthday cards, anniversary cards, holiday cards, seasonal cards, etc. in order to promote an excellent follow-up tools (Ndubisi, 2005).

Customer loyalty is won by providing extra service for the customer Organizations must assess individual needs and determine how to meet those needs better than the competition does. Lucas (2005) affirms that as long as organization continues to provide excellent and quality customer service delivery and dealing with displeasure/discontent instantaneously, customer loyalty and retention will reliable. The following equation conveys this idea:

Quality product / effective service delivery +  
Proactive relationship building + Elimination of  
displeasure/discontent + identification/Resolution  
of complaints + implementation and feedback

= Customer satisfaction and loyalty

Traditionally, customers will remain loyal to a product, service or organization that they believe meets their needs. Even when there is an actual or perceived breakdown in quality, many customers will return to an organization that they believe sincerely attempts to solve a problem or make restitutions on an error. Customer loyalty is a passionate thing that is classically based on customer values and expectations in sustaining a relationship with the organizations and these relationships should be purely based on conviction and trust.

## Approaches to Measuring Customer Loyalty

According to Bowen and Chan (2001), there are three distinctive approaches to measuring customer loyalty:

1. *Behavioural Measurement*: This considers a consistent, repetitive purchasing behaviour as an indicator of customers' loyalty. This approach believes that repeating purchases are not always the result of psychological commitment but rather a strong indication that a consumer is satisfied with a product/service which eventually reflects in his/her behavior. The behavioural loyalty method devise numerous measures and demonstrating techniques to evaluate the consistent pattern of customer loyalty and to increase product repurchasing predictability. Hence, there has been controversial issues on customer loyalty. Several studies have concentrated on the description, expectation and prediction of consumer behaviour but failed to succinctly clarify the motivating factors behind such behaviour and purchase patterns (Varki and Colgate, 2001; Foss and Stone, 2001; Uncles et al., 2003).

2. *Attitudinal Measurement*: It uses attitudinal records to reproduce the passionate and psychological affection inherent in characterizing loyalty. It is concerned with the sense of loyalty, engagement and allegiance. The attitudinal feature denotes consumer's optimistic philosophies, views, opinions, ideas, values and feelings toward a product/service (Simon, 2002). This attitudinal loyalty can be expressed basically by product/service preference or a psychological tendency and inclination towards a given product/service (Ehigie, 2006; Simon, 2002, Gan, Cohen, Clemes and Chong, 2006). The foremost contribution of this approach gives deeper awareness of the motivational factors and understanding the relationship between consumers and a particular product/service. Though, in spite of its conceptual fruitfulness, this measurement is unreliable and inconsistent to envisage the repurchasing pattern and behaviour of the consumers (McDougall and Leveque, 2000; Jamal and Naser, 2003; N'goala, 2003). This approach also overlooks the rationale behind the buying behavior and largely emphasizes on the strong point of the customers' attitude as a pointer of reliability.
3. *Composite Measurement*: This combines the first two dimensions and measures loyalty by customer's product preferences, propensity of brand switching, frequency of purchase, recency of purchase and the total amount of purchase. The use of both attitude and behaviour in a loyalty definition substantially increases the predictive power of loyalty. This approach considers both absolute consumer attitude and repurchasing buying behaviour. This approach has also contributed to the understanding of various attitudinal measurement of customer loyalty. A concurrent and optimistic purchasing behaviour and attitude gives room for attaining future predictions (Selnes, 2007; Shergill, Li and Bing, 2006). However, the composite method is embraced in order to prevent the limitations of both attitudinal and behavioural measurement and approaches.

By implications, more organizations are recognizing the importance of satisfying and retaining customers. Satisfied customers constitute an organization's relationship capital. If an organization were to be sold, the acquiring company would have to pay not only for the plant and equipment and brand name but also for the delivered customer base, namely, the number and the value of customers who would do business with the firm (Zineldin, 2006). Thus, although much current marketing focuses on formulating marketing mixes that will increase sales and new customers, an organization's first line of defence lies in customer retention. And the best approach to customer retention is to deliver high customer satisfaction that results in strong customer loyalty.

### **Research Hypotheses**

The following hypotheses were formulated for the purpose of this study:

H<sub>01</sub>: There is no relationship between customer service and customer satisfaction.

H<sub>02</sub>: Effective customer service is not likely to influence customer retention.

H<sub>03</sub>: There is no relationship between customer gender and customer service.

H<sub>04</sub>: There is no difference in the level of customer service among GLOBACOM, CELTEL and MTN.

## Methodology

A study research design was used for this research project. A sample of one hundred and fifty (150) respondents was selected using the random sampling technique. The respondents were administered questionnaires to obtain primary data on the topic of discussion. Primary and secondary data were used. Primary data was obtained with the use of questionnaire as the research instrument. Secondary data was obtained from texts, articles, and journals on the research topic. This study is based on the GSM operators in Nigeria. For reliability, relevance and specification, three organizations are being made use of; MTN Nigeria, CELTEL Nigeria (formally Vmobile until recently) and GLOBACOM. The above-mentioned organizations have been

specially selected for this study because they are the most widely known and used GSM operators in Nigeria. In the course of this study, emphasis will be made on their historical development, the quality of their service to their customers and its effect on the actualization of their SIM packs.

## Data Analysis and Interpretation

This study was designed to find out the effectiveness of customer service in the retention of GSM SIM packs using a comparative analysis. A total of 150 questionnaires were administered to the academic staff and students of Covenant University, Ota, from which only 132 were returned and properly filled.

**Table 1: Analysis of Network being used by Respondents**

What network do you use ?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MTN	42	31.8	31.8	31.8
	CELTEL	46	34.8	34.8	66.7
	GLOBACOM	44	33.3	33.3	100.0
	Total	132	100.0	100.0	

### Source: Field Survey, 2007

The above table shows that 42 (31.8%) of the respondents are subscribers of MTN, 46 (34.8%) are subscribers of CELTEL and the remaining 44 (33.3%) are subscribers of GLOBACOM. This

means that the number of questionnaires returned as regards to each network has no great difference as each network was allotted 50 questionnaire

**Table 2: Analysis of Hypothesis I using Correlation**

		Correlations	
		Customer service rendered by your service provider can be described as effective.	You derive satisfaction as regards to the total service rendered by your service provider.
Customer service rendered by your service provider can be described as effective.	Pearson Correlation	1	.549**
	Sig. (2-tailed)	.	.000
	N	132	132
You derive satisfaction as regards to the total service rendered by your service provider.	Pearson Correlation	.549**	1
	Sig. (2-tailed)	.000	.
	N	132	132

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The relationship between customer service and customer satisfaction was investigated using Pearson product-moment correlation co-efficient. There is a strong positive correlation (. 549) between the two variables ( $r=. 549$ ,  $n=132$ ,  $p< 0.01$ )

**Decision:** Observing the two-tailed test, there is a significant relationship (.0001) between the two statements. Therefore the null hypothesis ( $H_0$ ) is rejected which therefore implies that there is a relationship between customer service and

customer satisfaction. For customer satisfaction to be achieved, customer service has to be effective.

**Hypothesis II:**

This second hypothesis is to determine if based on the analysis of the options selected by the respondents it could be inferred that there is a relationship between effective customer service and customer retention. Responses from question 18 and 20 were made use of.

**Table 3: Analysis of Hypothesis II Using Correlation**

		Correlations	
		Customer service rendered by your service provider can be described as effective.	You will retain your GSM Sim pack as a result of the coverage of your service provider.
Customer service rendered by your service provider can be described as effective.	Pearson Correlation	1	.506**
	Sig. (2-tailed)	.	.000
	N	132	132
You will retain your GSM Sim pack as a result of the coverage of your service provider.	Pearson Correlation	.506**	1
	Sig. (2-tailed)	.000	.
	N	132	132

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The relationship between effective customer service and customer retention was investigated also using Pearson product-moment correlation coefficient. There is a strong positive correlation (.506) between the two variables ( $r = .506$ ,  $n = 132$ ,  $p < 0.01$ )

**Decision:** Observing the two-tailed test, there is a significant relationship (.0001) between the two statements. Therefore the null hypothesis ( $H_0$ ) is rejected and it is concluded that there is a relationship between effective customer service and customer retention. Customer retention can

only be said to have been achieved when customers believe that their service providers, in order to retain them, are effective in the services being offered e.g. adequate network coverage.

**Hypothesis III:**

The testing of the third hypothesis is to ascertain if there is a relationship between customer gender and customer service. Responses from question 1 and 20 in the questionnaire were extracted and are being made use of.

**Table 4: Analysis of Hypothesis III using Correlation**

		Correlations	
		Customer service rendered by your service provider can be described as effective.	Sex
Customer service rendered by your service provider can be described as effective.	Pearson Correlation	1	-.033
	Sig. (2-tailed)	.	.704
	N	132	132
Sex	Pearson Correlation	-.033	1
	Sig. (2-tailed)	.704	.
	N	132	132

The relationship between gender and customer service was investigated using Pearson product-moment correlation coefficient. There is a negative correlation between the two variables. ( $r = -.033$ ,  $n = 132$ ,  $p < .0005$ )

**Decision:** Observing the two-tailed test, there is no significant relationship (.704) between the two statements. Therefore, the null hypothesis is accepted and concluded that there is no relationship between customer service and gender. How appropriate a customer views the effectiveness of the customer service of his/her

service provider which will eventually lead to the retention of his/her GSM SIM pack is not a function of gender/sex.

**Hypothesis IV:**

A one-way between groups analysis of variance was conducted to explore the effectiveness of the level of customer service.

**Table 5: Analysis of Hypothesis IV using ANOVA**

**ANOVA**

Customer service rendered by your service provider can be described as effective.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.118	2	5.059	6.719	.002
Within Groups	97.124	129	.753		
Total	107.242	131			

Since 0.002 is less than 0.01, which is the level of significance being used for this case study, it is appropriate to say that there is a significant effect of the type of service provider on customer service.

significant difference, so we reject the null hypothesis (Ho) and conclude that there is a difference in the level of customer service among GLOBACOM, CELTEL and MTN.

**Decision:** Observing the table above, F-cal (6.719) at 0.002 sig. level shows that there is

**Table 6: Multiple Comparison of Service Providers**

**Multiple Comparisons**

Dependent Variable: Customer service rendered by your service provider can be described as effective.

	(I) What network do you use ?	(J) What network do you use ?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Tukey HSD	MTN	CELTEL	-.1718	.18519	.624	-.6109	.2672
		GLOBACOM	.4784*	.18718	.031	.0345	.9222
	CELTEL	MTN	.1718	.18519	.624	-.2672	.6109
		GLOBACOM	.6502*	.18297	.002	.2164	1.0840
	GLOBACOM	MTN	-.4784*	.18718	.031	-.9222	-.0345
		CELTEL	-.6502*	.18297	.002	-1.0840	-.2164
Dunnett T3	MTN	CELTEL	-.1718	.15171	.593	-.5411	.1974
		GLOBACOM	.4784*	.19448	.048	.0030	.9537
	CELTEL	MTN	.1718	.15171	.593	-.1974	.5411
		GLOBACOM	.6502*	.20279	.006	.1556	1.1448
	GLOBACOM	MTN	-.4784*	.19448	.048	-.9537	-.0030
		CELTEL	-.6502*	.20279	.006	-1.1448	-.1556
Dunnett t (2-sided) <sup>a</sup>	CELTEL	MTN	.1718	.18519	.549	-.2420	.5856
	GLOBACOM	MTN	-.4784*	.18718	.022	-.8966	-.0601

\*. The mean difference is significant at the .05 level.

a. Dunnett t-tests treat one group as a control, and compare all other groups against it.

The above table is to further show whether there is a difference among GLOBACOM, CELTEL AND MTN and this is being done with the use of Multiple Comparisons. Using the Tukey HSD part of the table, the following analysis has been conducted:

i. .031<. 05 signifying that there is a difference between MTN and

GLOBACOM.

ii. .624 >.05, this is quite higher and so is insignificant, implying that there is no difference between MTN and CELTEL

iii. .002<. 05 signifying that there is a difference between CELTEL and GLOBACOM.

**Table 7: Multiple Comparison of the Effectiveness Of Customer Service Rendered By Service Provider**

Customer service rendered by your service provider can be described as effective.

	What network do you use ?	N	Subset for alpha = .05	
			1	2
Tukey HSD <sup>a,b</sup>	GLOBACOM	44	3.5455	
	MTN	42		4.0238
	CELTEL	46		4.1957
	Sig.		1.000	.623
Ryan-Einot-Gabriel-Welsch Range	GLOBACOM	44	3.5455	
	MTN	42		4.0238
	CELTEL	46		4.1957
	Sig.		1.000	.366

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 43.939.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

Table 4.4.6 further reestablishes the fact that there is little or no difference in the level of customer service between MTN (4.0238) and CELTEL (4.1957) but not so with GLOBACOM (3.5455). The difference between these GSM operators as it pertains to the level of their customer service is what has led to MTN and CELTEL customers retaining their GSM SIM pack.

**Empirical findings:**

The following findings are based on the analysis of data collected and analyzed upon;

- a) It was revealed that for most respondents, their loyalty to their service providers is as a result of the quality of service provided as a total of 76.5% choose both agree and strongly agree. Of the remaining 23.5%, 11.4% disagree implying that one or two of GSM operators used for this study need to improve their service quality.
- b) From the hypotheses tested, there is a relationship between customer service and customer satisfaction, customer retention; there is no relationship between customer gender and customer service and there is a difference in the level of effective customer service among GLOBACOM, CELTEL and MTN.

**Conclusion and Recommendation**

The findings of this study further establish the view that effective customer service has a positive effect on the retention of any given product. The results of the questionnaires administered helps to reaffirm this view. In conclusion, there is a shift in many organizations from acquisition/transaction to retention/relationship. What better way to achieve this than through customer relationship management which is basically a genuine concern to meet or exceed the expectation of customers and to provide excellent service in an environment of trust and commitment to the relationship.

Based on the findings and the background information obtained during the course of the study on the effectiveness of customer service in the retention of GSM SIM packs, the following recommendation were made in order that service providers can improve their customer service effectiveness:

- 1) There is an imperative need for the various service providers to determine the optimal customer service effectiveness to prevent the occurrence of dissatisfaction of customers thereby leading to an increasingly lower retention rate.
- 2) In addendum to the above-mentioned point, it is advisable that every service provider that views effective customer service as a necessity for customer retention should become engaged in customer relationship management i.e. building strong relationship with their customers.

### **Suggestions for Further Studies**

For further studies into the effectiveness of customer service in the retention of any given product – it is recommended that a larger sample size be used to at least represent the geographical coverage of the country. Secondly, given that large number of customers may leave, there is the need for the telecommunication sectors to seriously step up its research into why customers should keep another GSM sim with another operators and address the shortfalls as quickly as possible. Another issue that could also be considered for future research is under what circumstance one can argue that customer service has improved performance of the telecommunication industry.

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