

**Effect of Relationship Marketing on Customer Loyalty of A Selected Mobile Phone
Companies in Nasarawa State**

BY

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A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES,
NASARAWA STATE UNIVERSITY KEFFI, IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE (M.Sc) IN BUSINESS
ADMINISTRATION

DEPARTMENT OF BUSINESS ADMINISTRATION
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NASARAWA STATE UNIVERSITY KEFFI,
NIGERIA

DECLARATION

I hereby declare that this dissertation is been written by me and it is a report of my research work. It has not been presented in any previous application for M.Sc. in Business Administration. All quotations are indicated and sources of information specifically acknowledged by means of references.

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DEDICATION

This dissertation dedicated to Almighty Allah for giving me the wisdom, health, knowledge, and wherewithal to accomplish this work.

ACKNOWLEDGEMENTS

This research will be incomplete without mentioning and expressing gratitude to some individuals, institutions, and agencies that provided one form of assistance or the other during the execution of the research e.g. financial support, review of the manuscript, and some other form of help in the conduct of the research.

My supervisor, Prof. Sam Baba Tende who immensely guided and assist with professional and academic inputs without which the research will be near impossible. Also, Prof. Abbah, Dr. Abdul Adamu now Head of Department Business Administration NSUK, your contribution before and after Internal Defense as assistance, guide, and advice has all been timely to accomplish the work.

Dr. Ismaila Olotu now Head of Department, Accounting your guide and input to this dissertation is well appreciated. Time and attention given to me during the cause of the research has gone a long way to make the work a success. The contribution made it impossible to meet the required standard of postgraduate school to write this dissertation, Jazakallah. Yahaya M. Obere NSUK, a friend in-law and course mate, you gave us life line, making your office as emergency lesson class for our group, when we have no available place or space to read during the cause of this programme. Your generosity is well cherish and acknowledged.

All my former teachers and lecturers from my primary school days till now, your contribution to my knowledge has made an impact in my life and the effort well appreciated. I can't end this without mentioning the likes of Prof. Ayuba A. Aminu then HoD, Prof. Madawaki, Prof. Adamu Aloomu, Mr. Adeleye, Late Dr. Pius Burma, and Prof. Bazza, Hajia Bintu Amin, Dr (Mrs) Wazis all of the University of Maiduguri where I got my first degree. They thought me in life

what my parents can't give me at home. I, therefore, say thank you. The blessing I pray for you and your family.

Total energy for the financial scholarship awarded to me during the cause of the programme, where many have applied, but I was lucky among lots to be given. The finance goes a long way to give cushion in my study.

Musa Idris, Transport Officer NTA Akwanga and Haliru student of NSUK who assists me in distributing the questionnaire in College of Education Akwanga and Nasarawa State University, Keffi. I appreciate and will remain grateful.

Mr. Maxell Loko my General Manager at NTA Lafia then, now Managing Director NTA TVE, who inspired us to further our education, IBM Madaki (Manager Programme) and Bilya Keffi were all my immediate supervisors at work who gave me cover during the course work. I will remain grateful and forever indebted. Emmanuel Musa (IT Student) and Rhoda Yohana all of NTA Lafia, you stood for me while I was in school during classes at my duty post. Thank you very much for the cover up.

My colleagues Usman Abubakar of NTA Lafia, Danjuma (Zenith Bank), Hajia Jummai, Musa Agbawu (NSUK), Ibrahim (PDP), Nasiru (Revenue Office) and Adams Agaba. Your contributions to the success of this programme is highly appreciated and of help during and after the course work.

I thank my Mother, Late Amina Abubakar Goringo who was my first teacher in this world. My father, Alh. Tanimu Rabo Muhammad who paid all my fees as his child up to my

adulthood and made sure I went to the best schools around. Also my siblings especially Muhammad Lawal Tanimu (Muhlat), your financial assistance to my educational career has been timely and live to save, I pray Allah to reward you for the care and financial assistance. Maryam, Abubakar, Late Usman, Sahad, and Safiya all of Tanimu descendants, I say thank you, may Allah reward you all for being there for me all the time.

My second half, friend, colleague, adviser, companion, and wife, Zee, Zainab Yusuf Obagu, words cannot describe how positively you are to my life and the course of this research. You have given your all to see me through. Jazakallah.

The Goringo family, I want to acknowledge your effort and assistance towards my life and educational career. Especially Murtala Abubakar (Babangida), your effort (financially) in this programme carries a lot of weight that I pray to Allah (SWA) to reward you abundantly and bless your family. Ahmed Abubakar Goringo, your fatherly advice was very helpful in the cause of this work. Also, Shehu All. Goringo, (Boss), my life story can't be complete without mentioning your name. You made me face my challenges head on and never give up on whatever I face in life.

Alh. Usman Angili Wakawa and the whole of his family, I will forever remain indebted to you and the whole family for the care and love given to me when I heard no family close to me. You made me never miss home. In fact I was home with your family, may Allah reward you and your family. May the soul of Mama Halima Ibrahim Chuwar (Mama Mai Kosai), rest in peace, you will forever remain in my heart.

ABSTRACT

Effect of relationship marketing on customer loyalty of Selected Mobile Phone Companies in Nasarawa state using service quality, price value, brand image, and switching cost as measures to customer loyalty in telecommunication industry communicating in Nasarawa state. The study explores that, despite inadequate service to customers in the telecommunication industry, customers remain loyal. The methodology used was a survey research design, where cross-sectional data was collected in a fair representation of the various mobile phone users and the senatorial constituency of Nasarawa North (Akwanga), Nasarawa West (Keffi), and Nasarawa South (Lafia) were used in the research. The study used Pearson correlation, regression analysis, and reliability test, and variance inflation factor for analysis. Primary data was used for the study. The study found that all the four dependents variables of Service Quality, Price Value, Brand Image, and Switching Cost are significant to customer loyalty in the telecommunication industry in Nasarawa State. The study recommends that it is need for service providers to improve in the quality of service given to it's subscribers. In the sense that all the mobile networks are not meeting the requirement or expect ion of customers where they should enjoy more in terms of value for their money.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The evolution of marketing started with the “simple trade era” in the ancient history, where people produced surplus good and then barter goods for other things they wanted (Brassington & Pettit, 2006). Then, organizations in the bid of searching for how best to, compete moved to the “marketing era” where companies replaced production orientation with a marketing orientation. Rather than trying to get customers to buy what the firm has produced, organizations try to produce what customers need. It was then realized that long-run competitiveness was more likely when organizations focus their activities on meeting customers’ needs, satisfying their wants, and knowing where their loyalty is, rather than trying to sell everything they could produce. Not long ago, a new marketplace has emerged bringing with it a host of challenges never before encountered. Organizations now aim all their effort not only at anticipating and satisfying their customers at a profit; but doing it more efficiently and effectively than the competition to attain set goals. With an increased understanding of the importance of customers’ loyalty, firms are taking a more customer-centric approach to strategy formulation (Kotler et al, 2009).

Relationship marketing has received much attention in both academy and practice areas in the last few decades. It was during the last decade of the 20th century that relationship marketing began to dominate the marketing field (Egan, 2001). During this period relationship marketing became a major trend in the marketing and management business. Relationship marketing is concerned with building customer loyalty by

providing value to all the parties involved in the relational exchanges, as customer loyalty is the final goal of relationship marketing (Peng & Wang, 2006).

According to Stone, Woodcock, and Machlynger (2000), buyers and sellers in markets achieve mutual benefits through developing relationships, which are not simply that a customer is 100 percent loyal to a vendor. There are often switching behaviors that occurred in different stages of a partnership relationship. Relationship marketing tactics thus approach to apply relationship marketing in practice. Effective customer-oriented relationship marketing tactics may help marketers to acquire customers, keep customers, and maximize customer profitability, and finally build up customer loyalty (Tseng, 2007).

Also, Tseng, (2007), believes that as the cthe competitive environment becomes more turbulent, the most important issue the sellers face is no longer to provide excellent, good quality products or services, but also to keep loyal customers who will contribute long-term profit to organizations. To compete in such overcrowded and interactive marketplace like the telecommunication industry in Nigeria and Nasarawa State in particular, marketers are forced to look beyond the traditional 4Ps of marketing strategy, (Product, Price, Place, and Promotion) which are no longer enough to be implemented for achieving competitive advantage. Therefore, relationship marketing has become an alternative means for organizations to build strong, ongoing associations with their customers. As part of marketing strategy, relationship marketing seek to acquire and retain customers by providing good quality customer services and therefore has become one of the keys to success in acquiring strong competitiveness in the present markets, because of its implications for access to markets, generation of repeat purchase, creation of exit barriers, and the view that it benefits all parties (Andaleeb, 1996).

Nigerian Communication Commission (2015) posits that the Nigerian telecommunication industry is the fastest growing economy in Africa and among 10 fastest growing telecom in the world. Nigeria now stands as the largest mobile market with more than 148 million subscribers' and 47 million Nigerians have access to online internet service with a market penetration of around 75% in early 2014, becoming one of the most profitable industries in the country. The telecommunication industry delivers voice communications, data, graphics, and video at ever-increasing speeds. Telecommunication influences the country's economy and the telecommunication industry's revenue was estimated to at \$25 billion in 2013. The competition is also becoming more and sharper. To obtain a sustainable competitive advantage, telecommunication firms are forced to make innovations and do the best for customer satisfaction. Due to this, customer relationship marketing plays an important role in the telecommunication industry. It demands a relationship-oriented strategy in marketing (Grönroos & Chukwu 2013).

According to NCC (2015), as of January 2014, Nigeria is having 162,719,517 connected GSM lines, of which 148,173,177 are the active lines in Nigeria. Nasarawa state is having 5million connected lines and 3.8million active lines, this cut across all networks available. Connected lines are available lines ready for purchase to be used by individuals, while active lines are those lines using by individual GSM users. Mobile phones in Nasarawa State started like any other state in Nigeria, as the operation of Global Systems of Mobile (GSM) simultaneously began all over the country in 1999, many embrace the use of GSM by individuals in the state.

The major thrust of this study is therefore empirically assessed how relationship marketing can lead to customer satisfaction to facilitate the development that leads to building customer loyalty in the Nigeria's telecommunication sector.

There are tremendous growth prospects in the Nigerian telecom sector, as such new entrants are attracted. Etisalat and Airtel are the recent entrant into the market in January 2007, licensed to provide telecom services while Airtel Indian largest telecom company in 2010 acquired Zain, the third largest mobile telecom provider in Nigeria this shows the level of attractiveness of the Nigerian telecom market. The telecom industry in Nigeria as of June 2015 according to Nigeria Communication Commission had generated more than ten thousand direct first-tier employments (vendors, PR agencies, operators' call center employees, security, etc.) and estimated fifty (50) million indirect 2nd-tier employments (NCC Report, 2015).

However, following the successful boost and profit realization in the telecommunication (mobile phone service providers) sector recently, there has been fierce competition among the emergent mobile phone companies (etisalat, star comes, Multi-Links), etc. are making it necessary and important for the managers of these companies to pursue more rigorously relationship marketing with their customers. The industry boom has fortified all the successful service providers and put them almost on the same template in the market, thus leading to fierce and cut-throating competition in the market. In addition to the problem of competition, the costs of serving customers by this telecommunication industry in Nigeria is very high due to infrastructure decay and corruption, forcing them and other firms in the country to invest massively on infrastructure (electricity, boreholes, roads, and so on). This also requires that the mobile service providers develop beneficial relationships with their existing customers in order to retain large number of customers and spread these costs among them, thus reducing

operating costs. The literature is deluged with the evidences of the relationship between rising competition & operational costs and RM (Lowenstein, 1997; Harrison, 2012) have argued vehemently that the rising costs of operations and increasing competitive environment have made it inevitable that firms, including telecommunication industries, should develop and maintain long-term relationships with customers. Specifically, bemoan the high and prohibitive costs of doing business.

1.2 Statement of the Problem

Most Customers stay or stick to a particular network even when they are experiencing poor service rendered to them. I will not leave this network despite some challenges experienced with the network provider. Mobile phone companies always cash-in in such situations where customer loyalty is very strong.

The research wants to find out why despite inadequate service provided and low customer relationship, yet mobile phone users/customers remain loyal to a particular telecommunication network provider in Nasarawa State. Also, focus on the effect of marketing relationships on customer loyalty to mobile phone service providers within the State.

The study tried to solve wherein mobile telecommunication industry which belongs to the service industry, that has service quality, price value, brand image and switching cost as an important indicator to assess a service provider's performance. Also, offering a high quality service and the other independent variable is considered to be a visible way to create customers trust and satisfaction, as well as obtaining competitive advantages and building a long-term relationship with customers that will bring about loyalty.

The gap this research tried to fill is a number of issues which include the relationship marketing, customer loyalty, price value, service quality, brand image and switching cost. Though a study has been conducted, Zhang and Feng (2009) on relationship marketing, value offers, trust and satisfaction, the study thus used analytical method developed by the author and also used Swedish telecommunication company and did not cover price value, brand image, switching cost and service quality. This however provides this research opportunity to conduct not only to cover other dependent and independent variables but also to use as build up to this dissertation in reaching findings that will add value to the work and knowledge in Nigeria, Nasarawa State in particular. Similarly, Zhang and Feng (2009) carried out study in Switzerland on how telecommunication service providers get to attract more customers, focus on building good relationship quality with customers, make customers satisfied and trust, and step by step obtain customer's loyalty, through relationship marketing tactics. An analytical model is developed as a guideline to test the relationships between relationship marketing tactics, relationship quality, Trust, satisfaction and customer loyalty. The findings shows there's impact on customer loyalty indirectly via the customer satisfaction and trust. Brand image is positively and directly related to customer loyalty. However, switching costs is found to be less correlation with customer loyalty, as well as satisfaction and trust in Switzerland telecommunication industry.

1.3 Research Questions

The following research questions are raised with respect to the effect of relationship marketing on mobile phone customer loyalty on Nasarawa State.

- i. What is the effect of service quality on customer loyalty?
- ii. What is the effect of price value on customer loyalty?

- iii. What is the effect of brand image on customer loyalty?
- iv. What is the effect of switching cost on customer loyalty?

1.4 Objective of the Study

The main objective of the study is to examine the relationship between relationship marketing and customer loyalty of mobile phone users in Nasarawa state. The specific objectives are:

- i. Examine the effect of service quality on customer loyalty.
- ii. Examine the effect of price value on customer loyalty.
- iii. Identify the effect of brand image on customer loyalty.
- iv. Access the effect of switching cost on customer loyalty.

1.5 Statement of Hypotheses

The research work shows how the four variables will be interrelated.

There is no significant effect of Service Quality on customer loyalty.

There is no significant effect of Price Value on customer loyalty.

There is no significant effect of Brand Image on customer loyalty.

There is no significant effect of Switching Cost on customer loyalty.

1.6 Significance of the Study

This research work also explains the importance of the four variables identified in this work. It will also see how each variable connect with the marketing relationship and the significance of this research will benefit individuals, groups or corporations based on the outcome from the model intend to be use. As the work is targeted to help telecommunication companies know how close, interactive and importance relationship

with their customer is, also will guide them on which of the variables discuss will be of benefit to them and still maintain loyal with their customers.

Nigeria Communication Commission (NCC) is protecting both interests, that of telecommunication companies and of phone users (customers). Here they can have insight of where, how and what to do in other to satisfy both parties without one feeling been cheated. Also, customer have to know he has some basic right with his service providers of quality service and price. Thus in turn his loyalty means a lot to the service providers to improve in those variables to keep the relationship moving.

This research is also of importance to body of knowledge where it will serve as a guide for further research or study, and to agree or refute what has been earlier proven on related topic by some other researchers base on the outcome of this research findings.

1.7 Scope of the Study

The research concentrate on four components/elements of relationship marketing i.e. Service quality, Brand image, Price Value and Switching Cost are used to measure relationship marketing.

Second, this study covers Nasarawa State mobile phone users and the period of study is 2015/16. The choice of Nasarawa State stems from the fact that is the closest to FCT (Capital of the Federal Republic of Nigeria) and almost all companies have its high powered executive representation their and that it's also convenience, considering the fact that the researcher has good knowledge of the Federal Capital and Nasarawa State.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Review

It is clear that companies execute certain value-adding strategies can increase customer's perceived benefits and reducing customer's perceived sacrifices, which in turn stimulate customer repurchasing activities and remain with the same service provider. In a long-term relationship, customer perceived value offered is related to both episodes and expectations. When customer's expectations are satisfied, they will feel safety, credibility, and security as perceived value in this relationship, which all together increase trust and then enhance customer's loyalty. (Ravald & Grönroos, 1996).

According to Wilson and Jantrania (1995), companies should concern about customer's value from customer's point of view, and thoroughly understand customer's value chain in order to be able to reduce customer-perceived sacrifice. Increasing the customer benefits means adding something to the core product that the customer perceives important, beneficial and of unique value. In telecommunication sector, it is essential for operators to offer something valuable to customers in service interaction process, such as reward refund activities and promotional offers, in order to gain customer satisfaction and trust, which are expected to enhance customer loyalty. In the competitive business world, customers are considered very significant, they are strong stakeholders. Customers have several choices to make among alternative products and services, and they exercise a high level of influence in the market with respect to product brand, quality and price. Hence, it is important for producers to meet the needs of customers in order to stay competitive and increase customers loyalty.

In Nigeria, the telecommunication sector is highly competitive and telecom operators attempt to appeal and win customers through various sales promotion strategies. The Nigerian telecom industry is entering its maturity phase, with reducing average profit. With fierce competitiveness telecom operators must work hard to reduce cost, win new customers and retain existing ones and increase profit to ensure sustainable development of their businesses. There are four major telecommunication providers in Nigeria offering Global Systems of Mobile (GSM) services with several mobile fixed wireless companies Code Division Multiple Access (CDMA). Nigeria telecommunication industry is one of the largest in Africa with over one hundred and forty two (162m) GSM users and still growing with one of the highest fixed line revenue and cumulative revenue of US\$19billion as at February, 2015 (NCC, 2015).

2.1.1 Concept of Relationship Marketing

Every service provider is expected to respect and meet the required expectations of their customers. Bearing in mind the pay for the services rendered and there by if such customer withdraw from patronizing them, it will lead to down fall in revenue and will eventually lead to also retrenchment or down sizing the work force. Company can not continue to pay to workers if they are not meeting up expenses.

Just as the name implies, is simply the art of developing a personal relationship with your customers. Anybody can start a business but not everybody can build a strong customer relationship. The purpose of a business is to create a customer.

With a global increase in competition which is as a result of the advent of the internet, a strong customer relationship can be your competitive strategy to gaining undue

advantage in your niche. Whether you run an online business or an offline business, there is need to connect with your customers. You can't just ask the customers what they want and try to give that to them. By the time you get it built, they will want something new.

Peng and Wang, (2006). Relationship marketing (RM) is concerned about building customer loyalty by providing value to all the parties involved in the relational exchanges, as customer loyalty is the final goal of relationship marketing. Also, according to the main concern in relationship marketing was the influence of relationship quality on customer's retention; they found a significant impact of commitment, trust and satisfaction on customer retention and future use of product (Lin and Wu, 2011).

Kotler, (2006). There are several approached definitions of RM differently with all the definitions pointing towards the same thing: forging and maintaining two-way relationships with customers and other stakeholders. According to, it is the relational process which creates, maintains, and enhances values for the customers and their partners. Again, relationship marketing was defined as all the marketing activities that are designed to establishing, developing, and maintaining successful relational relationship with customers. Bjerre also defined relationship marketing as "company behaviour with the purpose of establishing, maintaining and developing competitive and profitable customer relationship to the benefit of both parties". Also from, Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationship exchanges (Mishra and Liy, 2008).

Kotler and Keller, (2011). Recently, pointed out that companies must move from short-term transaction oriented goals to long-term relationship building goals. Relationship marketing, however, just offers firms the opportunities to achieve this goal and to build long term relationships with their stakeholders (e.g., customers, suppliers). However, it is clear that relationship marketing is a bond between company/organization and their customers. As such, relationship marketing is to gain the maximal value of a customer; customer loyalty should be emphasized to achieve this goal. The benefits of relationship marketing derive from the continuing patronage of loyal customers who as a partnership are not sensitive to price cut over time. Loyal customers are the lifeblood of an organization, regardless of its scale and business scope. In addition to relationship marketing, relationship quality has been mentioned by many authors and researcher as an important central construct of relationship marketing as it can improve or destroy the relationship between buyers and sellers. In order to maximize business profit, it is critical to keep a customer with “ultimate loyalty” (Oliver, 1999).

However, there are many dimensions that can be used to implement the relationship marketing in the organization; different researchers have taken multiple views regarding the elements. Although studies suggest numerous factors that influence relationship marketing success, factors consistently identified as important are commitment, trust, satisfaction, communication, and relational bond. However, this research work base its findings on four, which are satisfaction, trust and communication. Due to its relationship with the variables associated with the research, in terms of relationship marketing, customer loyalty and mobile phone users.

2.1.1.1 Satisfaction

For more than two decades, customer satisfaction has been an important subject in the areas of consumer and marketing research. Customer satisfaction has been defined in the context of a relationship marketing as "customers' cognitive and affective evaluation based on their personal experience across all service episodes within the relationship" Davis-Sramek et al., (2009).

Anderson & Fornell, (1994). Customer satisfaction has frequently been suggested to be the leading determinant of loyalty satisfaction, it has also been found to be positively associated with customer loyalty in the form of share of- wallet and a business-to-business setting.

Keiningham & Perkins-Munn, (2003). Research findings have offered robust evidence in this respect, demonstrating a definite positive relationship between customer satisfaction and behavioural intentions. Similarly, Anderson & Sullivan (1993) found that stated repurchase intentions are strongly related to stated satisfaction across product categories. Loyalty and satisfaction are related, although also clearly distinct. Oliver (1999) considers several conceptual bases for this distinction. But, in general, higher satisfaction has been proposed to be related to higher loyalty (; Strauss & Corbin, 1997).

There is also empirical evidence that customer-perceived value has a positive effect on customer satisfaction with a supplier (E.W. Anderson & Mittal, 2000). Satisfaction in a customer in this case is as a result of the bond between the organization and the customer which in turn led the customer to be loyal to the organization in this case mobile phone user will have to be satisfied with service rendered before they can be satisfied.

2.1.1.2 Trust

Trust can be defined as “the belief in the integrity, honesty and the reliability of another person” (Dwyer & Tanner, 2002). In general, trust leads to relationship commitment, which is what marketers are striving to achieve. Trust is a key element for relationship success and tends to be related to a number of elements such as competitive advantage and satisfaction (Ratnasingam & Pavlou, 2003). Marketing scholars have recognized the importance of trust in developing and managing business relationships. It is a substantial dimension in the interaction and network approach and a basic feature in relationship marketing (e.g. Morgan & Hunt, 1994).

Trust is priceless; therefore, it takes commitment, relational bond and uninterrupted service for customer to be loyal with such a company that can give him all that at such reasonable or low price. In so doing, the company will have unreserved loyalty from such customers.

Liang and Wang (2006) states in this context that trust is “the perceived level of confidence in transaction partners’ reliability and honesty”. Trust is “the belief that a partner’s word or promise is reliable and a party will fulfil his/her obligations in the relationship”. It penetrates to such a level in cognition that generates impressions and faith. When customers interact with an employee, their trust is created by their perceptions of that interaction. How far the banks in business develop trust among the customer is having high influence on customer’s preference and loyalty on specific bank. Trust develops more affective loyalty among customer on firms.

2.1.1.3 Communication

Communication is the sharing of information between two or more individuals or groups to reach a common understanding (G. R. Jones *et al.*, 2000). It is clear that this is often not as easy as it might seem. According to Anderson & Narus, 1990, Communication is also defined as the human act of transferring a message to others and making it understood in a meaningful way. This definition focuses on the efficacy of communication in producing the desired effect rather than on the frequency or modality of information exchange. If relationship marketing is to be successful, an integration of all marketing communications messages is needed to support the establishment, maintenance and enhancement of relationships with customers (and other stakeholders). In marketing relationships, communication plays a central role in providing an understanding of the exchange partners' intentions and capabilities, thus forming the groundwork for relationship development.

Good communication can also help to increase responsiveness to customers. When organizational members who are closest to customers, such as call centres representative and agents in Communication Company are empowered to communicate customers' needs and desires. This will in turn get customer loyalty.

2.1.2 Concept of Customer Loyalty

Chu, (2009). For a customer, loyalty is a positive attitude and behaviour related to the level of re-purchasing commitment to a brand in the future. Customer loyalty is central goal of relationship marketing, supported by numerous claims of how organization can benefit from loyal customers. Customer loyalty has been linked to customer profitability. It is both attitudinal and behavioural tendency to favour one brand over all

others, whether due to satisfaction with the product or service, its convenience or performances or simply familiarity and comfort with the brand. Customer loyalty encourages consumers to shop more consistently, spend a greater share of wallet, and feel positive about a shopping experience, helping attract consumers to familiar brands in the face competitive environment.

Oliver, (1999). Customer loyalty is defined by as a deeply held commitment to re buy or re patronize a preferred product or service in the future despite there are situational influence and marketing efforts having the potential to cause switching behaviour. Customers are the driving force for profitable growth and customer loyalty can lead to profitability. Loyal customers are less likely to switch to a competitor solely because of price, and they even make more purchases than non-loyal customers. It is thus essential for vendors to keep loyal customers who will contribute long-term profit to the business organizations. Attempt to make existing customers increase their purchases is one way to strengthen the financial growth of a company (Hayes, 2008).

Furthermore, organization's financial growth is dependent on a company's ability to retain existing customers at a faster rate than it acquires new ones (Ibid). Therefore, good managers should understand that the road to growth runs through customers – not only attracting new customers, but also holding on existing customers, motivating them to spend more and getting them to recommend services to the other people (Keiningham *et al.*, 2008).

Aydin and Özer, (2005). Despite these various works, there is still no universal agreement on the definition of loyalty. Thus, some authors are of the opinion that

customer's loyalty has two dimensions. Customer loyalty has been generally divided into attitudinal loyalty and behavioral. Attitudinal loyalty describes customer's attitude toward loyalty by measuring customer preference, buying intention, supplier prioritization and recommendation willingness; on the other hand, behavioural loyalty relates to shares of purchase, purchasing frequency. There are evidences suggesting that stronger relationship commitment leads to buyers' repeat patronage.

Wulf, (2001). Defined the construct of behavioural loyalty as a composite measure based on a consumer's purchasing frequency and amount spent at a retailer compared with the amount spent at other retailers from whom the consumer buys. He also found significant relationships between the level of a buyer's relationship commitment and his acquiescence, propensity to leave, and cooperation, all of which can be regarded as behavioural outcomes of relationships.

In general, customer loyalty is the final purpose that firms implement relationship marketing. This research will seek to investigate the impact of the above mentioned relationship marketing/tactics on and customer loyalty, by examining the above proposed hypothesises.

In an ever expanding and rapidly changing environment, companies cannot maintain attitudes characterized by attracting customers or expanding in new markets. The key success factor to survive in mature markets relies on sustaining long-term relationships with stakeholders (De madariaga and Valor, 2007).

Takala et al, (2005). Relationship marketing represents a strategic response by firms to gain competitive advantage. In so doing, loyal customer relationships have been found to increase profitability for a firm over time. Relationship marketing orientation yields a significant impact on the determination of the firms' performance. Successful relationship marketing efforts improve customer loyalty and firm performance through stronger relational bonds.

Relationship marketing structure and underlying dimensions vary across empirical studies, but central to the conceptualisation is the belief that no single dimension or relational construct can fully define the overall depth or climate" of an exchange relationship. Therefore, there is little agreement among researchers as to which individual or composite relational mediator best captures the key aspects of a relationship that most affect outcomes (Palmatier et al., 2006).

Garbarino and Johnson (1999). Examined the different roles of satisfaction, trust, and commitment in customer relationships and identified a continuum of customer relationships from transactional to relational. They found that relational customers want trust and commitment from the firms they interact with, but transactional customers seek satisfaction from their interaction.

2.2 Empirical Review

Aminu, (2012). The study empirically investigates the effect of relationship marketing (RM) on customer loyalty in Nigerian banks. Four constructs (service quality, trust, complaint handling and customer satisfaction) were employed to measure RM, which is the independent variable of the study. All the constructs were significantly correlated with customer loyalty in Nigerian banks, meaning that the higher the level of service

quality by the banks, the greater the trust customers have in their banks, the greater the ability of banks to resolve customers' complaints satisfactorily and the greater the level of customer satisfaction, the greater is their level of loyalty to their banks. In conclusion, investment on RM by banks pays off because it has effect on customer loyalty. Based on this conclusion, it is recommended that all banks in the country should develop and maintain long-term relationship with their customers to get their loyalty in turn.

Konate, (2010). Studied "How relationship marketing contributes to gaining customer loyalty to securities brokerage firm in the stock exchange" This study applied an inductive research approach to explore relationship marketing on firms in Thailand's financial services sector. More than one data collection methods were applied, including semi-structured interviews as the main collection method and participant observations in a supporting role. Qualitative content analysis and coding techniques were used for concluding the data. Study concluded that securities brokerage firms in Thailand implemented Relationship marketing practice but with differences in relationship marketing strategies, depending on the types of customers being targeted. The study identified the main factors impacting on customer loyalty to both local and international securities brokerage firms. Finally, the research confirmed that Relationship marketing had a demonstrable impact in gaining customer loyalty to securities brokerage firms in The Stock Exchange of Thailand.

Chin-Hung Liu and Wei-Shih Tsai, (2010). Studied "The effects of service quality and lifestyle on consumer choice of channel types: The health food industry as an example" This study focuses on consumers of health foods in Taiwan as a research subject. The questionnaire survey was done by the sampling method. The collected data was analysed

by using statistical methods such as correlation analysis. The research findings are showing that Service quality has a significant and positive relationship with choice of channel types, Satisfaction of service quality in the aspects of personnel interaction and problem solving significantly influences consumer's choice of channel type, Both price and leisure factors of lifestyle significantly affect consumer's choice of channel types, Some demographic variables may drastically influence consumer's choice of channel types and perception of service quality.

Singh, (2006). "The Importance of Customer Satisfaction in Relation to Customer Loyalty and Retention" To be successful, organizations must consider the needs and wants of their customers. That is the big reason that why many researchers and academicians have continuously emphasized on the importance of customer satisfaction, loyalty and retention. Customer satisfaction is important because many researchers have shown that customer satisfaction has a positive effect on an organization's profitability. Questionnaire technique was used in this study for data collection and data was analysed with the help of statistical methods and showed that there is also a positive connection between customer satisfaction, loyalty and retention. Therefore, customer satisfaction, loyalty and retention are all very important for an organization to make loyal customers by satisfying them.

Wong, (2007). Studied the "moderating effect of switching cost on customer satisfaction" The research was done to develop a model that examines the effects of customer satisfaction and switching costs on customer retention as well as the moderating effect of switching costs on the relationship between customer satisfaction and customer retention in Internet banking users. This is an empirical research that was

conducted within the context of the retail Internet banking industry in Hong Kong. Questionnaire technique was used to collect data that were filled online by the users. This research showed the significant positive effects of customer satisfaction and switching costs on customer retention in Internet banking users. It is very clear that switching costs play a strong moderating effect on the customer satisfaction-retention in Internet banking users.

Sondoh, et al., (1999). Studied the” effect of brand image on overall satisfaction and loyalty intension in the context of colour cosmetic” The main determinants of study were brand image and customer loyalty .Five brand image characteristics consisting of functional, social, symbolic, experiential and appearance enhances were investigated. A survey was done with the sample of 97 females, Findings showed that functional and appearance enhances strong effect on loyalty intention. Four of brand image benefits: functional, social, experiential, and appearance enhances has positive effect on overall customer satisfaction. The results also indicated that overall satisfaction does significantly influence customers' loyalty. The result indicates that marketers should focus on brand image benefits in their marketing strategies to achieve customer loyalty.

Rujirutana, (2007) studied” Switching cost as moderator of customer satisfaction” He uses two services high in experience properties (hairdressing and retail banking) to measure and understand the moderating role of high and low psychological switching costs on the relationship between technical and functional performance, and customer satisfaction. Sample size of 155 users of both services was used. The results showed that the impact of technical and functional performance varies under high and low switching cost conditions.

Omotayo, (2011). This research investigates the relationship and effect of sales promotion and customer loyalty. This was confirmed that there are positive relationships between sales promotion and customer loyalty. From the summary of the result it can be concluded that as sales promotion expenditure increases so does the customer loyalty. Hypotheses one to three were confirmed from the data of this study. The study is more relevant as most previous study dealt with the impact of sales promotion in retail outlet while this study studied the impact of sales promotion in telecommunication sector. The results of the study enable us to make a number of conclusions. Most respondents are reluctant to provide personal information as such their evaluation of sales promotion is negative.

2.1.1 Service Quality and Customer Loyalty

Service quality has been found to have an influence on customer loyalty and benefit companies as it improves customer retention rate (Nsiah & Mensah, 2014). Service quality is described as the experience and judgment of service consumer about a company's excellence in the service delivery. In view of many researchers, perception of consumer influences his trust and satisfaction in the company

Service quality may be achieved by understanding and improving operational processes, identifying problems quickly and systematically establishing valid and reliable service performances and measuring customer satisfaction and other performance outcome.

Compared with physical products, Service is thought to be intangible, heterogeneous, produced and consumed simultaneously, unable to be kept in stock, etc. A widely accepted definition of service is proposed by Grönroos in 1990 as: "A service is a process consisting of a series of more or less intangible activities that normally, but not

necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems” (see Grönroos, 2000, p.46). This definition implied that service is a process where interactions between customer and service provider most often exist. Hence, in a service context, there are almost a relationship between customer and service provider; such relationship can be used as a basis for marketing (Grönroos, 2000). In order to retain loyal customer who will bring long-term profit to the firm, the key issue for service provider is to make use of this relationship in the way it manages customers by offering what the customer’s needs and wants.

Customers might be satisfied when a firm provides better services than their pre-purchase expectations. Customer trusts also emerge when customers perceive positive service quality from a firm, and believe the service firm would bring preferable outcomes for them. In mobile telecommunication industry which belongs to service industry, service quality is an important indicator to assess a service provider’s performance. Offering a high quality service is considered to be a visible way to create customers trust and satisfaction, as well as obtaining competitive advantages and building a long-term relationship with customers.

Due to the peculiar attributes of service, the evaluation of service quality is more complex than evaluation of product quality. There have been various ways for measurements of service quality proposed by previous researches and literatures. The famous measurement model of service quality is SERVQUAL developed by

Parasuraman et al. (1988), who measured the differences between customer expectations and perceptions cross five determinants as follows:

1. *Tangibles*: Appearance of physical facilities, equipment, employees and communication materials from a service company.
2. *Reliability*: A service company's ability to perform the promised service dependably and accurately.
3. *Assurance*: employees' knowledge and behaviour about courtesy and ability to convey trust and confidence.
4. *Responsiveness*: A service company is willing to help customers and provide punctual services.
5. *Empathy*: A service company provides care and individualized attention to its customers, as well as having convenient operating hours.

With above measurement model of service quality, any company or industry that hold the model religiously will gain and always maintain its customer's and their unflinching loyalty.

2.1.2 Price Value and Customer Loyalty

Price is an important determinant that will reflect the customers purchasing decision. Price competition in the mobile phone sector is becoming very intense, whereby it plays a vital role particularly for mobile phone service providers (Kollmann, 2000 & Reena, 2012). Price is determined by various factors including, willingness of the buyer to pay and accept mark-ups, the legal environment, intensity of competition, etc. Due to the importance of cost and service charges, customers are most likely to commit to a company that provides cheaper services (Mokhtar et al., 2011).

Consumer pays a certain monetary or financial value in order to get a service. Price has a significant impact on the consumers buying behaviour. Price perception may vary from individual to individual. Sometimes, higher price might effects negatively to the consumer buying decision, (Peng and Wang, 2006).

Peng and Wang, (2006). Price is the monetary cost for a customer to buy products or services. It is the critical determinant that influences customer buying decision. Customers usually select their service providers strongly relying on perceived price. How much consumers are willing to pay differs due to their different needs and wants. Thus, the price perceptions to the same service products may differ among individuals. Higher pricing perceived by consumers might negatively influence their purchase probabilities. Price perception is also thought to be related to price searching. Consumers are likely to be attracted by perceived high-quality services at perceived competitive prices during the searching process (Lichtenstein *et al*, 1993).

Peng and Wang (2006). Many researchers have pointed out that price perception influences customer satisfaction and trust. Customers often switch mainly due to some pricing issues, e.g. high price perceived, unfair or deceptive pricing practices. Therefore, in order to increase customer loyalty, it is essential for service firms to actively manage their customers' price perceptions, e.g. carrying out attractive pricing, offering reasonable prices mix, lower prices without decreasing quality.

2.1.3 Brand image and Customer Loyalty

Brand image usually indicates to the set or bundle of beliefs which a customer holds concerning a particular brand. It conveys the overall image or impression of a brand in a customers' mind developed from diverse sources (Upamannyu & Mathur 2012). Brand concept has been frequently discussed in marketing literatures. Brand building is not only an important driving force for marketing physical products, it is also a vital issue for service firms. *Brand image* was defined by Keller (1993, p3) as the "perceptions about a brand as reflected by the brand associations held in consumers' memory." It is thought as the perception or mental picture of a brand formed and held in customers' mind, through customers' response, whether rational or emotional (Dobni & Zinkhan, 1990).

Relationship marketing emphasize on one to one relationship between firm and consumers. It also shows the relationship among brand and customers (O'Loughlin et al., 2004). According to Grönroos (2000, p.287), "A brand is not first built and then perceived by the customers. Instead, every step in the branding process, every brand messages, is separately perceived by customers and together add up to a brand image, which is formed in customers' minds". Therefore, brand image is consequence of how a customer perceives the relationship with a brand over time (Ibid). Therefore, a positive brand image is supposed to meet customer's expectation and offer more benefits to customer, which may lead to customer loyalty and trust.

2.1.4 Switching Cost and Customer Loyalty

It is considered as a barrier that influences customer's decision to change service provider, in turn affect customer's willing to remain loyalty with current service

provider. (Zhang & Feng, 2009), It happens when a customer switches from an existing service provider to a new one. Switching costs perceived by customers can be either monetary or non-monetary (time, effort, risk taking, psychological nature, etc.). Investopedia (2014), it's the negative costs that a customer incurs as a result of changing suppliers, brands or products. While, Patterson and Smith (2003) defined switching cost as the customer's perception of the importance of the additional cost led to ending up a relationship and to securing an alternative one.

Sustainable companies like MTN, Airtel and Glo, usually try to employ strategies that incur some sort of high cost in order to dissuade customers from switching to a competitor's product, brand or services. Example is many cellular phone carriers charge very high cancellation fees for cancelling a contract. Cell phone carriers do this in hopes that the costs involved with switching to another carrier will be high enough to prevent their customers from doing so.

2.3 Theoretical Framework

The ultimate goal of this research is to provide a complete understanding of human behavior in the context of organizations. If this were achieved, it would mean that we could design organizations optimally so that people would be happier and more loyal, and the organization will be more successful.

Therefore, the research considers Maslow's hierarchy of human needs and motivation. According to Maslow, human beings are motivated by a hierarchically ordered set of needs such that we most strongly be motivated by the lowest-ranked needs that have not yet been satisfied.

2.4 Summary

This chapter has given a through insight into the subject area of customer's loyalty, with reference to its various definition, dimensions, antecedents and argument for and against it, with the objective of using at a foundation for the research being carried out.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research design adopted for this study is survey research design. Specifically, it is a cross-sectional survey research. In survey research design, the researcher is interested in observing what is happening to sample subjects or variables without any attempt to manipulate or control them (Asika, 2008). It is cross-sectional when data is collected at a particular time from a sample of respondents in order to describe or explain population parameters at a particular point in time (Kighir, 2008). This study seeks to sample the opinions of mobile phone users on the effect of relationship marketing on customer loyalty.

3.2 Population, Sample and Sampling Technique

The population of the study comprises of all mobile phone active lines in Nasarawa State. There are about 3.8million mobile phone active lines in Nasarawa State (NCC Report, 20015). These mobile active lines cut across all networks; MTN, Glo Airtel and Etisalat Nigeria.

The sample size of the study is arrived at using the Yamane (1967) formula thus:

$$n = N / [1 + (Ne^2)],$$

Where:

n is the sample size,

N is the population,

e is the error limit (0.05 on the basis of 95% confidence level)

Therefore, $n = 3,800,000 / [1 + 3,800,000 (0.05^2)]$

$$n = 3,800,000 / 9501$$

$$n = 399.9 \approx 400.$$

The Yamane (1967) technique is considered more appropriate where the population of respondents is large (Eric, 2009). This is why it is adopted in this study.

In a bid to ensure fair representation of the various mobile phone users, this study adopts both stratified and purposive sampling techniques. The three Senatorial Zones (Nasarawa North, Nasarawa West and Nasarawa South), in the state represent the strata. The sample size is divided equally to ensure fair representation of each of the Zone. Thus we have the following distribution:

Table 3.1: Sampling

Senatorial Zone	Sample
Nasarawa North	133
Nasarawa West	134
Nasarawa South	133
TOTAL	400

Source: Author's Computation 2016.

The convenience sampling draws the samples from each Senatorial Zone since each zone has more than one local government. Convenience sampling is a common form of sampling design in social science research (Mohr, 1990) and provides researchers with an acceptable database to use statistical inference techniques. This approach to sampling design is also common in services marketing (Morgan & Hunt, 1994). To this end, Akwanga and Nasarawa Eggon represents Nasarawa North, Keffi and Karu represents Nasarawa West and Lafia and Doma represents Nasarawa South. These are areas with either relatively high concentration of tertiary institutions, commercial activities, and proximity to the Federal Capital Territory, being the state capital or being situated along major highways thus serving as accessible points for mobile service providers.

3.3 Methods of Data Collection

This study used primary data in attempt to achieve the set objectives of the study. The instrument used to collect data is the questionnaire. This is employed in order to collect data from the respondents. It is divided into six sections. Section A covers three items on the personal data of respondents. It contains data on respondent's sex, marital status, and educational status. Section B is on construct to measure Service Quality, while section C contains constructs to measure Price Value,, section D contain questions to measure Brand Image, while section E focuses on constructs to measure Switching Cost. Lastly, section (F) concentrate on measures of Customer Loyalty.

Measures for independent and dependent variables used a five-point Like-type response format, with “strongly disagree” and “strongly agree” as the anchors. The users will record their assessment of the items on five-point Likert-type scales (1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree).

3.4 Data Analysis and Model Specification

The methods used for data analysis include tables, simple percentages, linear regression. To assess the relationship between relationship marketing and customer loyalty, and linear regression is also used. Regression analysis is a statistical tool for the investigation of relationships between variables. The goal of regression analysis is to determine the values of parameters for a function that cause the function to best fit a set of data observations that you provide. In addition, correlation was used to determine degree of such relationship. Below are the models to test for the relationship between these variables.

$$\text{Cloyalty} = \beta_0 + \beta_1 \text{SvQ} + \epsilon \dots\dots\dots 1$$

$$\text{Cloyalty} = \beta_0 + \beta_1 \text{Pval} + \epsilon \dots\dots\dots 2$$

$$\text{Cloyalty} = \beta_0 + \beta_1 \text{Bim} + \epsilon \dots\dots\dots 3$$

$$\text{Cloyalty} = \beta_0 + \beta_1 \text{Swc} + \epsilon \dots\dots\dots 4$$

Where:

Cloyalty = Customer Loyalty

SvQ= Service Quality

Pval = Price Perception

Bim= Brand Image

Swc= Switching Cost

3.5 Justification of the Methods Used

The ordinary least square method of regression was used to look at the cause-effect relationship. The descriptive statistics described the variables as the correlation matrix was used to look at the individual correlation of the variables. The use of OLS is considered simply and explicit as it tells how significant relationship marketing is on customers' loyalty. This helps to draw a reliable and reasonable conclusion without much stress.

Table of Reliability Test

SN	Item	Item Alpha
1.	SvQ1	0.8675
2.	SvQ2	0.8610
3.	SvQ3	0.8674
4.	SvQ4	0.8665
5.	SvQ5	0.8615

6.	Pval11	0.8641
7.	Pval12	0.8576
8.	Pval13	0.8616
9.	Pval14	0.8519
10.	Bim1	0.8574
11.	Bim2	0.8592
12.	Bim3	0.8586
13.	Swc1	0.8650
14.	Swc2	0.8678
15.	Swc3	0.8663
16.	Cloyalty11	0.8561
17.	Cloyalty12	0.8637
18.	Cloyalty13	0.8542
19.	Cloyalty14	0.8529
Test Scale		0.8679

Source: Stata Output 2016

In the study of Peterson (2001), average reported alpha coefficients ranged from 0.70 for values and beliefs to 0.82 for job satisfaction, which in this case is customer loyalty. The table above shows the result of reliability test that all the result show positive and all are above 0.82. According to Cronbach, any test that is above 0.6 is acceptable. From what the table result shows, the reliability test turns of positive.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Correlation of Variables

Table 4.2 below shows the correlation between the dependent and independent variables of customer loyalty and all the four independent variables of service quality, price value, brand image and switching cost.

Table 4.1.1 Correlation Matrix

		Correlations				
		Cloyalty	SvQ	Pval	Bim	Swc
Cloyalty	Pearson Correlation	1				
	Sig. (2-tailed)					
SvQ	Pearson Correlation	.401**	1			
	Sig. (2-tailed)	.000				
Pval	Pearson Correlation	.548**	.683**	1		
	Sig. (2-tailed)	.000	.000			
Bim	Pearson Correlation	.582**	.550**	.786**	1	
	Sig. (2-tailed)	.000	.000	.000		
Swc	Pearson Correlation	.439**	.218**	.374**	.431**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
** . Correlation is significant at the 0.01 level (2-tailed). Where: Cloyalty = Customer Loyalty SvQ = Service Quality Pval = Price Value Bim = Brand Image Swc = Switching Cost						

Source: Stata Output 2016

From the correlation result in table 4.2 above, non-negative correlation which signifies or implies that all the independent variables are positive with the dependent variable. The result showed that Cloyalty, SvQ, Pval and Bim are significantly affected.

Cloyalty and SvQ have positive effect of 40%, while SvQ and Pval was slightly higher at 68.3%, Pval and Bim is also higher with 78.6% and lastly Bim and Swc are positively affected at 1% significance respectively.

4.2 Test of Hypotheses

This section covers the regression results of both the dependent (Customer Loyalty) and independent variables (Service Quality, Price Value, Brand Image and Switching Cost).

In the study it stated four hypothesis on the relationship between customer loyalty and independent variables of service quality, price value, brand image and switching cost, against which this study is anchored. In this section, we subjected these propositions to empirical testing drawing from the results of our descriptive and inferential statistical analyses. The decision rule is based on the significances of the test which are presented by the p-values flagged by the statistical packages used. This is based on the fact that the existence of a significant relationship can be inferred from a significant t-statistics. Based on the fact that more significant relationships are noticed between the variables and Cloyal, this implies that Cloyal is a better performance proxy. This study however based its decision on custome loyalty. The table is shown below.

4.2.1 Service Quality and Customer Loyalty

Coefficient	t-Statistic	Probability
0.073	1.089	0.277

From the analysis, the correlation between the two has a coefficient value of 0.073, indicating that customers' loyalty has a positive effect on service quality and customer loyalty, with coefficient of 0.073 indicating a positive significant effect of service quality on customer loyalty (i.e an increase in service quality will lead to increase in customer loyalty) and statistical p-value of 0.277 which is insignificant at 5% level of significance. This therefore signifies companies must consider service quality if they want their customer to remain loyalty. The p-value is insignificant at 5% level of significance which led to the rejection of the null hypothesis thereby accepting the alternative hypothesis which state that service quality has no significant effect on customers' loyalty. The result shows that service quality is positively related with customer loyalty, where the telecommunication or network providers are giving effective and quality service to its customers.

This view is also shared by Patrick, Chenuos, Koskei, and Tuwey (2014), when companies communicate to their customers in timely way, is more successful in retaining customers than those with low communication effectiveness. Raza and Rehman (2012), also has same view, results show that service quality has a significant impact on satisfaction. It means that if service quality is high, satisfaction will increase. Quality is positively related to customer loyalty. Ismail

et al, (2006); Parasuraman *et al.*, (1988), service quality perceived by customers are will directly influence customers satisfaction, as well as their trust in the service firm.

4.2.2 Price Value and Customer Loyalty

Coefficient	t-Statistic	Probability
0.216	0.088	0.015

Here the analysis show the relationship between the price value and customer loyalty has a high coefficient value of 0.216, indicating a positive correlation between the two, with a statistically significant p-value of 0.015. A positive relationship indicates that price influences customer loyalty in telecommunication companies in Nigeria and Nasarawa State. It also indicates how price value is sensitive to customers when money is involved. Any slight change in price upward or downward review, it will surely affect customer loyalty by 21%.

The study therefore rejects the null hypothesis and accept the alternative hypothesis which states that price value has a significant effect on customers' loyalty.

This finding is consistent with that of Peng and Wang, (2006), Lichtenstein *et al.*, (1993), Oliver (1997), Cheng *et al.* (2008) and Kim *et al.*, (2008), customer often switch mainly due to some pricing issues, e.g. high price perceived, unfair or deceptive pricing practices.

4.2.3 Brand Image and Customer Loyalty

Coefficient	t-Statistic	Probability
0.339	4.826	0.000

The regression result shows that the relationship between brand image and customer loyalty of telecommunication companies in Nigeria is positive and statistically significant as indicated by the coefficient (0.339) and the p-value is 0.000 which is statistically significant at 5% level of significance. This indicates that, an increase in brand image by a unit will lead to a significant increase in customers' loyalty by 0.339. So therefore, the study rejects the null hypothesis and accepts the alternative hypothesis which states that brand image has a significant effect on customers' loyalty.

This finding is consistent with Dobni and Zinkhan, (1990), O'Loughlin, Szmigin, and Turnbull (2004) and Grönroos (2000), shares same view here where he said, the development of a brand relationship with customers is based on a series of brand contacts experienced by customers.

4.2.4 Switching Cost and Customer Loyalty

Coefficient	t-Statistic	Probability
0.283	5.188	0.000

Furthermore, result indicates that the relationship between switching cost and customer loyalty is statistically significant with coefficient of 0.283, which implies that switching cost will

increase customer base by 0.283 for every increase in switching cost. The p-value is 0.000 is less than 0.05. The result shows how sensitive Nasarawa State, Nigeria and the world is with anything that has to do with money. For a customer, loyalty is a positive attitude and behavior related to the level of re-purchasing commitment to a brand now and in the future, Chu, (2009), Hayes (2008), Bowen & Shoemaker, (2003) and Bitner (1990).

The table above shows a result of an R-squared (coefficient of multiple determinations) of 0.40, indicating that about 40% of the variability in Cloyal is captured by network providers in the telecommunication industry, while the other 60% lies with the other variables not quoted in this study. Thus, p-value of 0.000 shows that relationship between Cloyal and the independent variables used in this study is statistically significant. Multicollinearity test result table below.

Table 4.4 Multicollinearity Test Results

Variance Inflation Factors
Date: 1/11/2016 Time 2:34pm
Sample 1400

Include Obsevation 400

Variable	Collinearity Statistics	
	Tolerance Value	VIF
(Constant)		
SvQ	0.531	1.883323
Pval	0.289	3.455886
Bim	0.359	2.784301
Swc	0.807	1.238507

Source: SPSS Output 2016

Table 4.4 above shows VIF of the variables are all consistently smaller than 10. It shows that there is absence of multicollnearity. Tobachnick and Fidell (1996), Neter, Kutner, Nachtsheim and Wasserman, (1996), Gujarati and Porter (2009) suggested that if VIF of a variable is more than 10, that variable is said to be highly collinear. Furthermore, the tolerance values are

consistently lesser than 1, thus, supporting the fact that there is no multicollinearity between the independent variables.

4.3 Discussion of Findings

The study used performance variables like Service Quality, Price Value, Brand Image and Switching Cost as the group of independent variables and Customer Loyalty as the dependent variable which is used to measure the performance of the network providers.

After data analysis of the findings from the test, hypotheses shows that there is positive relationship between all the dependent variables of (service quality, price value, brand image and switching cost) and the independent variable (customer loyalty).

The findings on the effect of service quality shows a positive significant on customer loyalty. This implies that, companies must improve on their service quality in order to retain customer loyalty. Again, this finding corroborate with the findings of Adeleke and Aminu (2012). In his findings, four variables were used to measure service quality. They include service quality, trust, complaint handling and customer satisfaction which showed significant positive relationship.

The price value shows a positive effect also, which means it has a positive significant to customer loyalty. The findings implies that most consider price of their network in order to get the attention and loyalty of their customer.

Wong (2007). Study in Hong Kong on switching cost to retain customer using internet banking showed a positive effect. In the outcome, it shows strong moderating effect on

customer loyalty in internet banking users. This, corroborate with the findings of this reaserch, where switching cost shows a positive significant on customer loyalty. It implies that, telecommunication network should have switching cost as an option in other to maintain customer loyalty.

Brand inmage has a significant positive effect as shown from the analytic in the reaserch result, the study implies that network companies brand image is important elements of value in the mind of the consumers. Brand image is an important factor which impacts customer loyalty and is considered a vital factor for creating, building and maintaining relationships. Therefore companies should maintain and continue to offer higher value to attract new customers and avoid the risk of customers leaving to competitors, that is, to sustain customer loyalty (Lee and Murphy, 2005).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The main purpose of this study was to find out the effect of relationship marketing on customers' loyalty to a selected mobile phone company in Nasarawa state and also make recommendations on how relationship marketing can be better improved to increase customers' loyalty.

The study gave a background to the study of the work as well as a statement of the problem. Research questions, research objectives, research hypotheses, significance as well as scope, limitations, and operational definition of terms were looked into squarely.

The study also delved into the review of relevant literature in areas of concept, significance, and challenges of relationship marketing and customer loyalty. Areas such as relationship between two variables were looked into as well as theoretical and empirical framework were also discussed intensely.

The study stated the research design, population of the study, sample size and techniques as well as method and instruments of data collection and analysis.

In chapter four of the work, data collected from the questionnaires were presented and analyzed using the simple percentage table while hypotheses were tested using the simple regression analysis. Four hypotheses were tested which revealed that relationship marketing has a significant effect on customers' loyalty to mobile phone users. The

findings support the viewpoints that relationship marketing can enhance the strong buyer-seller relationship and in turn increase, customer loyalty as the quality of a partnership relationship are not only the desired outcomes of relationship marketing but also the antecedents of customer loyalty is the final goal of developing a relationship with customers by executing relationship marketing by most service industries like the telecommunication.

This study further explores that service quality is highly significant in influencing customer loyalty. In Nigeria's mobile telecom industry, consumers especially in Nasarawa State where the study was carried out, do care about service quality in deciding whether to stay with current service providers or not. Service quality providers is key to a successful network that builds a strong relationship with corresponding customer loyalty. This is not far from the reason why probably subscribers/customers subscribe to more than a line so that they can fall back whenever one fails, the other will always be there as a back-up. This suggests that a mobile phone company that can meet its customers needs if making the service quality string, they will build a relationship that give upper hand in customer loyalty.

5.2 Conclusion

Retaining customers in the service industry has become a major objective of relationship marketing. In this study, relationship marketing tactics are considered to be essential for building long-term relationship with customers in order to achieve mutual benefits of all parties. The study was conducted to exam the impact of relationship marketing tactics which are, service quality, price value, brand image and switching cost on customer loyalty within mobile telecommunication industries in Nigeria.

From the analysis in chapter four, the study however concludes that there is a relationship between customer loyalty and the independent variables of service quality, price value, brand image, and switching cost. The study has extended the understanding of readers by providing answers to the following research questions:

There is no significant relationship between service quality and customer loyalty.

There is no significant relationship between price value and customer loyalty.

There is no significant relationship between brand image and customer loyalty.

There is no significant relationship between switching costs and customer loyalty.

5.3 Recommendations

The findings of this research, therefore present the following recommendations which will be useful to mobile phone companies, especially in Nasarawa State.

Service quality is key among the four independent variables used in the study. The research shows that service quality has the strongest relationship with customer loyalty. The study also found out that all mobile phone companies are not meeting customers expectations on the quality of service base in the study carried out in Nasarawa State. However, mobile phone company that will improve their service quality to meet customer expectations will definitely cash in on the customer loyalty that will follow the relationship to be built by the service provided in Nasarawa State.

Customer spends get value for money, it's expected that every price should have its corresponding value to show. In the study, customers often ddoesn'tget value for their

money, where they buy credit, data but at the end always feel short-changed for not having satisfactorily felt the money spent in return is equal to service rendered by minutes spent on making calls or hours spend using the data they bought. Hence, mobile phone company that return value to it's customers spending to get services by increasing the time spend on calls and data usage with same or slight price increase will significantly retain and increase customer loyalty. The recommendation is to make customers see and feel by reducing or increasing the price and value for purchase to increase the relationship thereby creating a customer loyalty base.

Brand and image are different but they complement each other in the company to have or maintain customer loyalty. The brand with a poor image is most likely to have a low customer loyalty base, where even if the brand is not popular, but have a good image is highly likely to have a significant increase in its customer loyalty base. With the result from the study showing a significant response, it's recommended that mobile phone companies are to work and improve on their image to increase that customer loyalty.

The study shows that switching cost has a significant effect on customer loyalty, it is recommended that mobile phone companies that are not getting much customer loyalty on it, should utilize the telecom market to gain customers' loyalty over another network. They can do this by making switching costs from one mobile phone company to theirs seamlessly and with low-cost to get more customers in return thereby increasing the loyalty base. Mobile phone companies should try not to attach costs or high charges to customers or subscribers who wish to move over from another network.

Further Study

The limitations of the study have prompted suggestions for further research as mentioned below:

This study has gone some way to exploring relationship marketing and customer loyalty in a broader context. Further research could explore the relationship in more aspects like relationship marketing and satisfaction in mobile phone companies in Nigeria.

Also, further research could take the angle of relationship marketing and customer loyalty, based on Data Bundle (Plan), Call Center Agents, Drop Calls, and Trends (family and friends). There is a need to also expand the research beyond the quantitative research, which is yielding a mixture of results, to perhaps a more qualitative approach as to how network providers work.

Finally, the population size used in this study Nasarawa State with 400 as the sample size. Considering the North Central region or the entire North for further study will give a larger picture on respondents and outcome of response and the effects of data presentation and analysis could give a larger and expansive and detailed understanding in further research.

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Appendix

A. Respondents Personal Data.

1. Marital Status

- a) Single
- b) Married
- c) Widowed

2. Sex

- a) Female
- b) Male

3. Age

- a) 18-30
- b) 31-50
- c) 51-70
- d) 71 and Above
- e) Disagree

B. Service Quality

1. Which of the following Networks will you access?

- a) Airtel
- b) MTN
- c) Glo
- d) Etisalat
- e) Multilink
- f) Starcomms
- g) Others

2. How effective is the Network provider in terms of Service Quality?

- a) Very Effective
- b) Effective
- c) Not Effective

3. Effective Service Quality can make Customer to be loyal to the Network Provider?

- a) Strongly Agree
- b) Strongly Disagree
- c) Agree
- d) Neutral
- e) Disagree

4. How often does your Network Seize/Go off?

- a) Very Frequently
- b) Frequently
- c) Once in a while

C. Price Value Perception

1. How considerate, compared to other Network, is the Price Value of your Network Provider?
 - a) Very Costly
 - b) Costly
 - c) Low
 - d) Cheap

2. Spending less and talk more can make you/customer loyal to Network Provider?
 - a) Strongly Agree
 - b) Strongly Disagree
 - c) Agree
 - d) Neutral
 - e) Disagree

3. Regardless of Price Value, you/customer stay or give loyalty to service providers.
 - a) Strongly Agree
 - b) Strongly Disagree
 - c) Agree
 - d) Neutral
 - e) Disagree

D. Brand Image

1. Brand Image can make you/customer to be loyal to his Network Provider.
 - a) Strongly Agree
 - b) Strongly Disagree
 - c) Agree
 - d) Neutral
 - e) Disagree

2. Action of group/individual as the case may be, associated with your/customer Network Brand can make him/her leave that Network?
 - a) Yes
 - b) No

3. If a Brand change its name, will you still maintain relationship with the Network?
 - a) Yes
 - b) No

E. Switching Cost

- 1. Switching Cost affect you/Customers willing to remain loyal with current Provider.
 - a) Strongly Agree
 - b) Strongly Disagree
 - c) Agree
 - d) Neutral
 - e) Disagree

- 2. Service Providers charge no fee for cancellation/Switching with the hope it will be enough to prevent you/customers from doing so?
 - a) Strongly Agree
 - b) Strongly Disagree
 - c) Agree
 - d) Neutral
 - e) Disagree

F. Customer Loyalty.

- 1. From the variables , Service Quality, Price Perception, Brand Image and Switching Cost which among them make you/customer so loyal to your Network?
 - a) Service Quality
 - b) Price Perception
 - c) Brand Image
 - d) Switching Cost

- 2. Customers are the driving force for profitable growth and customer loyalty can lead to profitability.
 - a) Strongly Agree
 - b) Strongly Disagree
 - c) Agree
 - d) Neutral
 - e) Disagree

Table of Dependent Variables

Dependent Variable: CLOYAL

Method: Least Squares

Date: 01/11/16 Time: 02:33

Sample: 1 400

Included observations: 400

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.125842	0.245650	0.512280	0.6087
SvQ	0.073134	0.067137	1.089321	0.2767
Pval	0.215543	0.087757	2.456134	0.0145
Bim	0.339116	0.070266	4.826138	0.0000
Swc	0.283161	0.054580	5.187990	0.0000
R-squared	0.401761	Mean dependent var		3.592500
Adjusted R-squared	0.395703	S.D. dependent var		0.955891
S.E. of regression	0.743077	Akaike info criterion		2.256387
Sum squared resid	218.1044	Schwarz criterion		2.306280
Log likelihood	-446.2773	Hannan-Quinn criter.		2.276145
F-statistic	66.31783	Durbin-Watson stat		1.964765
Prob(F-statistic)	0.000000			

Source: Eviews 7.0 Output 2016