THE EXTENT TO WHICH THE MOBILE PHONE PROVIDERS IN KENYA ARE CUSTOMER FOCUSED: THE CASE OF USIU-A COMMUNITY'S PERCEPTION

BY

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STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

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This project paper has been presented for examination with my approval as the appointed supervisor.

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DEDICATION

This study is dedicated to my beloved wife, Alhan M. Moallin, and our children: Aisha, Abdirahman, Hafsa, Fardowsa and Omar Faruq who gave me the support and impetus that made it possible to accomplish the research.
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ABSTRACT.

Customer focus has become "a prime goal" in today's service markets. It is becoming increasingly necessary for firms to have a thorough understanding of the customer base. Some companies declared their belief in customer orientation but acted in the opposite direction. Therefore, this study sought to identify the extent to which the Mobile Phone Providers in Kenya are customer focused.

The study was descriptive in nature. The population of interest in this study was the USIU-A community of students and faculty that owns mobile phones; since there was no known list of the USIU-A community who subscribe to the two mobile companies in Kenya, the researcher used convenient sampling method to determine the number of customers studied.

It was not possible to study the entire population of mobile phone providers' customers. Therefore, a sample size of 55 respondents was studied.

The study tested two variables of customer focus: customer analysis and customer responsiveness and their measures namely highly demanded products and services, customer surveys, quality of products and services, customer preferences of the products/services, handling customer complaints, employees and management's assistance to the customers, the knowledge and understanding of customer needs, the worthwhile prices of products and services, establishing customer forums, and customer satisfaction.
A four-point scale has been used to summarize the responses. The scale ranged from highly customer focused to not customer focused.

In conclusion, from the overall results, the study concluded that Kencell Communications Ltd is slightly customer focused, while Safaricom Ltd is customer focused, none of the firms is highly customer focused.
CHAPTER ONE

1.0 INTRODUCTION
1.1 BACKGROUND

A business needs to have a source of competitive advantage to survive and prosper in today's competitive markets. More recently, some firms have been taking greater cognizance of the possibility that the most productive route to corporate prosperity may lie in serving customers better than the competition. The need for real improvement in organizational capability for, and the delivery of, superior customer service as a basis for competitive strategy and competitive advantage, has been given a lot of importance in recent times (Yinatsawaphan, 1996).

Therefore, it is vital for companies to become customer focused. The identification of customer needs and the development of plans and programs to meet these needs is the responsibility of all functions and individuals in organizations. Companies need to establish and encourage the right customer oriented attitudes and practices throughout the company. While most managers, even non-marketing ones, would accept the importance of the customer to their organizations, in practice many do not “think customers” in their day-to-day activities or even longer-term planning (Lancaster and Withey, 1998).
1.2 BACKGROUND OF MOBILE PHONE PROVIDERS IN KENYA

In Kenya, there are two mobile phone providers: Safaricom Ltd and Kencell Communications Ltd.

1.2.1 SAFARICOM LTD

According to Safaricom Ltd company profile, Safaricom Ltd currently is Kenya’s leading Mobile Telephony Provider. It was created in 1997 as a fully owned subsidiary of Telkom Kenya. In May 2000 Vodafone Group p/c, the world’s biggest telecommunication company, acquired a 40% stake and management responsibility for the company. Safaricom’s aim is to remain the leading Mobile Network Provider in Kenya.

In order to achieve this, an urgent focus has been placed on quality of service to its customers. Safaricom will therefore be implementing best practices on Vodafone’s vast international experience and Telkom Kenya’s unique knowledge of Kenyan Market Conditions. The result of this will ensure a superior quality of service that is customer focused and will benefit every user. Safaricom provides different products and services, which are phones, accessories, prepaid services, mailbox services, value added services, online warranty, Safaricom roaming service, and short message service (http://www.safaricom.co.ke).
1.2.2 KENCELL COMMUNICATIONS LTD

According to company profile, Kencell was established following the recent liberalization of the Kenyan Telecommunications industry and the attribution, on the 28th January 2000; a license was given to Kencell to operate a GSM network in Kenya by the Communications Commission of Kenya, CCK.

Formed as a partnership between the Sameer Group: one of Kenya’s leading conglomerates, and Vivendi Telecom International, a major international player in the telecom sector, Kencell will benefit from the concurrent expertise of both companies to offer services of the highest international technological standards.

A modern Customer Care support center setting new standards in Kenya has been established at the Kencell Headquarters on Mombassa Road. Currently 86 Customer Care Representatives are working from 7am to 9pm for customer satisfaction in order to ensure service delivery of the best quality.

Quality, reliability, friendliness and customer orientation are the guiding principals by which Kencell commits to providing its customers with innovative, flexible and customer orientation services. Kencell’s mobile telephone network offers advanced services to its customers, such as golden number & personalized number, international calls, voicemail 555, short message service (Mobile originated), call line identification, call on hold/call waiting, call forwarding, call
barring, call restriction, roaming, and several other features (http://www.kencell.co.ke).

1.3 STATEMENT OF THE PROBLEM

A Company that adopts the customer orientation approach puts the customer at the center of all business decision-making and planning, and not just marketing department decision-making and planning. A Company with this approach is said to be customer focused (Lancaster and Withey, 1998).

Today's environment, it is vital to become customer focused, the identification of customer needs and the development of plans and programs to meet these needs is the responsibility of all functions and individuals in organizations. Companies need to establish and encourage the right customer oriented attitudes and practices throughout the company. While most managers, even non-marketing ones, would accept the importance of the customer to their organizations, in practice many do not think customers in their day-to-day activities or even longer-term planning (Lancaster and Withey, 1998).

To focus on customers, the management of the firm should understand customer needs and wants that is not always simple. Some customers have needs, of which they are not fully conscious or they cannot articulate these needs or they use words that require some interpretation (Kotler, 2000).
Companies that have recognized the importance of satisfying the customer at all times as a corporate culture have fared better than those that have shunned such a philosophy (Majaro, 1993). Moreover, some companies declare their belief in such an orientation but act in the opposite direction. The essence of the process of satisfying the customer is thinking, dreaming, planning and acting in a customer-friendly and market-oriented way (Majaro, 1993).

Today's environment is unstable, there is a stiff competition among companies with similar products and services, customers have become more knowledgeable and complex; and technological advancement is very high. Then the question the researcher wants to put forward is: in order to survive in this volatile environment, are Mobile Phone Providers in Kenya customer focused?

It seems no study has been carried out about the extent to which mobile phone providers in Kenya are customer focused. A study is, therefore, necessary to identify the customer orientations of Safaricom Ltd and Kencell communications Ltd.

1.4 RESEARCH QUESTIONS

The study attempted to answer the following questions:

1. To what extent that the Mobile phone providers analyze customer needs and preferences?
2. To what extent that the Mobile phone providers response to customer needs and preferences?

1.5 OBJECTIVES OF THE STUDY

The main objective of the study was to determine the extent to which the mobile phone providers in Kenya are customer focused.

Then the specific objectives of the study were:

1. To determine the customer focus level of mobile phone providers in Kenya.
2. To determine if there is a significant difference between the level of customer focus of Safaricom and Kencell.

1.6 IMPORTANCE OF THE STUDY

The results of this study may be of use to several people and organizations in various ways; the study may help managers of Safaricom Ltd and Kencell Communication Ltd.

It may be of use to future scholars and researchers as a source of reference.

The study may also point to the marketers of the importance of being customer focused, which is critical in retaining the existing customers and attracting the potential ones. The researcher may also gain experience from the research.
CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

The purpose of this chapter is to highlight relevant literature on the extent to which Mobile phone providers in Kenya are customer focused.

The history of modern marketing demonstrates that in a competitive environment companies that have pursued a customer focus approach to running the business have fared better than those that have not. Nevertheless, it is not always easy to identify which company is truly customer orientated and which is not. The honor is frequently given to those who have managed to project a suitable image in this regard to those who keep shouting about their desire to look after the customers (Majaro 1993).

According to Majaro (1993) the customer orientated firm does not simply involve a mere statement being issued from above on a solitary occasion, but involves a well-developed and deeply rooted corporate philosophy that guides every part of the organization in all its activities and operations. He further states that this attitude and mode of behavior should apply to all departments and not only to the marketing people, and should with equal rigor to all members of the firm regardless of their functional affiliations. Thus production personnel, accountants
and human resource people should all come close to the customer and behave in a customer-orientated manner.

2.1 Customer focus.

Deshpande' Farley and Webster (1993) define customer orientation as "the set of beliefs that puts the customer’s interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise".

According to Narver and Slater (1990) customer orientation is defined as "actions designed to understand target buyers so as to create value for them". Moreover, Brown, Mowen, Donaver and Licata (2000) define customer orientation as "an individual's tendency or predisposition to meet customer needs in an on-the-job".

Some marketing experts and researchers believe that customer orientation and market orientation terms are synonymous (Deshpande’ et al, 1993, Shapiro, 1988) as the term 'market' defined in the conventional manner as the set of all potential customers of a firm.

Others like Narver and Slater (1990) and Kohli and Jaworski (1990) conceptualized market orientation as a unidimensional construct, but one that incorporated several distinct components like customer orientation, competitor orientation, and interfunctional co-ordination. Those researchers assumed that
each component contributed equally to the construct. Therefore, all the market orientation studies quoted by this paper used this approach.

Deshpande’ etal (1993) the evaluation of how customer oriented an organization is should come from its customers rather than merely from the company itself. Moreover a study done by Deshpande’ etal (1993) on Japanese firms measured customer orientation in terms of the perceptions of the customers and found that the marketers’ customer orientation as reported by customers is related positively to business performance and customers’ perceptions are significantly more important than the marketers’ own perceptions.

Kotler (1997) argues that customer-oriented thinking requires the company to define customer needs from the customer’s point of view. Every buying decision involves trade-off and management cannot know what these are without researching customers.

Peter Drucker once wrote; “There is one valid definition of business purpose to create a customer”. At its simplest, if you do not have any customers for the product or service your business offers, then there is no reason for continuing existence (http://sol.brunel.ac.uk).
As Doyle (1994:42) observes, a business is most likely to achieve its goals when it organizes itself to meet the current and potential needs of customers more effectively than competitors.

In customer-centric organizations, the emphasis will be on the full integration of all customer-focusing activities by better aligning all firm activities around customer value-adding activities. Customer-centric organizations will not only integrate sales, marketing, and customer service functions but also non-marketing functions. Through the use of technology, all elements can be highly integrated around individual customers (Sheth, Sisodia and Sharma, 2000).

The knowledge to transform a corporate culture from product-focused to customer-focused allows leading companies to attract, nurture and retain highly profitable customer relationships.


Levitt (1975) argues that building an effective customer-oriented company involves more than good intentions or promotional tricks, but rather matters of human organization and leadership. Levitt (1975) suggests that the entire corporation must be viewed as a customer-creating and customer-satisfying organism. He further suggests that management must think of itself not as producing products but as providing customer-creating value-satisfactions, therefore it must push this idea into every nook and cranny of the organization.
According to Chang, Mehta, Chen, Polsa and Mazur (1999) the adoption of a customer orientation can help a service provider design and offer a service mix that is perceived by core customers as being of superior quality, while making a profit and building competitive advantage. They further argue that customer orientation is certainly a key success factor in global competition.

Customer orientation is the core of business success, the meaning of which has to be understood and internalized by everyone. The integrated customer orientation is the basis for corporate competence development, and thus competence development and management of core competencies becomes important for both internal and external businesses process. Customer orientation is therefore effective knowledge management (Malin, 1999).

According to Narver and Slater (1990) a customer orientation requires that an organization understands a customer's entire value chain, not only as it is today but also, as it will evolve over time subject to internal and market dynamics.

Heiens (2000) argues that many researchers consider a customer-focus to be the most fundamental aspect of market orientation and it encourages a business to be forward-looking. Further, Heiens (2000) contends a customer-focus business is likely to be more interested in long-term business success as opposed to short-term profits.
According to Customer Relationship Management (CRM), (UK) Ltd (1999) the organizational structure must be de-layered and flattened to enable a smooth-coordination of customer directed processes. The structure should facilitate the customer getting in touch with those who make the decisions in the organization. Similarly, it should facilitate the flow of information and communication and enable employees to be responsive to customer demands.

Kotler (1996) observes that many successful and well-known companies have adopted customer orientation culture. He provides examples of Marriott, Nordstrom, McDonald, and Wal-Mart. He also observes further, formerly great companies like General Motors, IBM, Sears, and Zenith all lost substantial market shares because they failed to adjust their marketing strategies to the changing market place.

Day (2002) observes that the power of market driven organization also can be seen in the success of companies such as Wal-Mart, Virgin Airlines, Disney, Gillette, and many others that have used a superior relationship to customers to gain advantage over rivals. In contrast, the stories of IBM’s loss of control of the PC market, Motorola’s stumble in shifting from analog to digital cellular systems, and Sears’ difficulties in the early 1990s, show how a failure to align the organization to the market can quickly and seriously erode competitive performance (http://knowledge.wharton.upenn.edu/print_version.cfm?Articleid=112&catid=4).
Dawes (2000) conceptualizes that customer orientation construct has two components as customer analysis and customer responsiveness. Brown et al. (2000) proposes that customer orientation in a service setting is composed of two dimensions. The needs dimension, which represents individuals' beliefs about the ability to satisfy customer needs, while the enjoyment dimension represents the degree to which interacting with and serving customers is inherently enjoyable for an individual. In this paper the researcher adopts the former conceptualization.

2.1.1 CUSTOMER ANALYSIS

Dawes (2000) customer analysis is a deliberate emphasis on understanding customer needs and wants. He further states that if the firm has greater understanding of customer preferences it can construct offerings that appeal to customers and which are also financially attractive for the firm to offer.

Kohli and Jaworski (1990) customer analysis comprises the analysis of customer needs and the wider forces that shape those needs. Customer analysis would help the firm to construct offerings that appeal to buyers (Narver and Slater, 1990).

Service firms that are more oriented to their markets and more knowledgeable of their customers' value chains are more likely to structure their services based on
customers' needs and preferences. As a result, they are capable of creating exceptional value for their customers (Chang et al, 1999).

According to Kotler (1997) understanding customer needs and wants is not always a simple task. Some customers have needs, of which they are not fully conscious or they cannot articulate these needs or they use words that require some interpretation. He further distinguishes five types of needs:

1. Stated needs (the customer wants an inexpensive car)
2. Real needs (the customer wants a car whose operating cost, not exceeding its initial price).
3. Unstated needs (the customer expects good service from the dealer).
4. Delight needs (the customer buys the car and receives a complimentary U.S. road Atlas).
5. Secret needs (the customer wants to be seen by friends as a value-oriented savvy consumer).

Slater and Narver (1999) market orientation firms seek to understand customers' expressed and latent needs, and develop superior solutions to those needs.

There is an inherent assumption that being customer focused the organization knows what the customer wants. Certainly being more attentive to what is going on in the market (using marketing information systems-mktis) puts the organization in a better position, but markets can and do change quickly. An
effective customer focused organization needs to know not only “what” the customer is buying, but also “why”. By understanding “why”, it may be able to preempt change and organize its resources accordingly (http://www.staffs.ac.uk/schools/business/marketing/whatis.html).

Burke (1997) observes that armed with the knowledge of how existing customers feel; the customer-oriented company can make adjustments to meet the expectations of its customers. Companies that are not customer-centered will continue to chase customers away and spend money trying to attract new customers. Consumers who may have heard the word from disgruntled ex-customers are likely to ignore even the most innovative advertising messages because they already have negative perceptions about the company.

Service firms take various steps to assure that they provide adequate services to customers in response to changing customer needs. For example, a number of automobile service centers provide evening and/or over-right services. Therefore, premium service quality is expected to be an end result of a market-oriented service firm (Chang and Chen, 1998).

Sheth and Sisodia (1995) argue that consumer-centric marketing emphasizes understanding and satisfying the needs and wants, and resources of individual consumers and customers rather than those of mass markets or market segments. In customer-centric marketing, marketers assess each customer individually and make a determination of whether to serve that customer directly
or via a third party. Sheth and Sisodia (1995) further argue that customer-centric marketers determine whether to create an offering that customizes the product and/or some other element(s) of the marketing mix or standardize the offering.

A customer-centric company focuses more on customer developments in formulating its strategies. Clearly, the customer-centered company is in a better position to identify new opportunities and set a strategy course that promises to deliver long-run profits. By monitoring customer needs, it can decide which customer groups and emerging needs are the most important to serve, given its resources and objectives (Kotler, 2000).

Being customer-oriented enables a firm to learn not only what customers desire but also what customers do not need. As many firms are learning to be leaner in the 1990s, managers may find that market orientation can be very useful (Chang et al., 1999).

Studies show that although customers are dissatisfied with one out of every four purchases, less than 5 percent of dissatisfied customers will complain. Most customers will buy less or switch suppliers. Complaint levels are thus not a good measure of customer satisfaction. Responsive companies measure customer satisfaction directly by conducting periodic surveys. They send questionnaires or make telephone calls to a random sample of recent customers. They also solicit buyers’ views on their competitors’ performances (Kotler, 2000).
According to Kotler (2000) companies should perform lost customer analysis, when they lose customers. He argues that companies should contact customers who have stopped buying or who have switched to another supplier to learn why this happened. Kotler (2000) mentioned that when IBM loses a customer, it mounts a thorough effort to learn where it failed. Not only is it important to conduct exit interviews when customers first stop buying, but it is also necessary to monitor the customer loss rate. If it is increasing, this clearly indicates the company is failing to satisfy customers (Kotler, 2000).

Griffen (1982) found that a positive association between the use of market research and other standard marketing methods. Also Hart and Diamantopoulos (1990) reported that, in the United Kingdom, the use of market research was positively correlated with success.

Federal Express is an organization that succeeded in customer service. The relationship between this organization and the customer is strong and lasting. It regards customers as part of the family. It brings customers into the heart of the organization, invites and encourages them to participate in every thing from designing the service to developing service measures and monitoring quality. Its commitment has been to have service excellence. This organization has been able to develop a service culture (Davidow et al, 1990).
Microsoft Company introduced joint development programs in every product group in the company. It invited customers to participate in the product-development process by helping define product requirements and by rigorously testing those products before they are released. Throughout the process, customers provided the Microsoft development groups with constant feedback (Sussman, 2001).

The key to customer retention is customer satisfaction. Kotler (1997) identifies a highly satisfied customer has the following characteristics:

- Stays loyal longer
- Buys more as the company introduces new products and upgrades existing products.
- Talks favorably about the company and its products.
- Pays less attention to competing brands and advertising and is less sensitive to price.
- Offers ideas concerning product/services to the company.
- Costs less to serve than new customers do because transactions are reutilized.

According to Kotler (2000) today's customers are harder to please. They are smarter, more price conscious, more demanding, less forgiving, and approached by more competitors with equal or better offers. The challenge is not to produce satisfied customers; several competitors can do this. The challenge is to produce
loyal customers. Kotler (2000) further argues that more and more companies are recognizing the importance of satisfying and retaining current customers. Here are some interesting facts bearing on customer retention:

- Acquiring new customers can cost five times more than costs involved in satisfying and retaining current customers. It requires a great deal of effort to induce satisfied customers to switch away from their current suppliers.
- The average company loses 10 percent of its customers each year.
- A 5% reduction in the customer defection rate can increase profits by 25 percent to 85 percent, depending on the industry.
- The customer profit rate tends to increase over the life of the retained customer.

According to Colby (2002) a common paradigm that has emerged from the TQM movement is that the ultimate path to retaining customers is to satisfy their needs. The theory holds that by identifying what customers expect, and then meeting and exceeding these expectations, customers will be far less likely to seek the services of competitors. Over the past years, studies done by Colby have validated this theory, and found that customer satisfaction is indeed a strong correlate of retention and loyalty.

Lam (2001) carried out a research project titled strategies to improve quality product versus service organizations and found that for service organizations, both customer and process orientation lead to increased customer satisfaction.
2.1.2 CUSTOMER RESPONSIVENESS

Customer responsiveness comprises actions taken in response to information about customer needs or market dynamics (Kohli and Jaworski 1990). Moreover, (Dawes 2000) defines customer responsiveness as the responding to the information received about customer needs and preferences.

In a competitive environment, organizations must be highly aware and responsive to customer needs, or else rivals will devise products more attuned to those needs and capture their business (Mckitterick, 1958 as quoted by Dawes, 2000).

According to Lam (2001) effective employees management, or having employees that a committed and involved, is itself a requirement for both a process orientation and a customer orientation to be effective.

To excel in customer service, an organization must have employees, from top to bottom, who share a commitment to providing superior service. Satisfying customers requires a continuous reassessment of customers' needs and unswerving commitment to meet or exceed customers' expectations (yinatsawphan, 1996).
A study done by Hartline et al (2000) which investigates how service firms disseminate their customer-oriented strategy to their employees suggest that both highly management- initiated and highly employee-initiated controls are optimal for effective customer orientation. They recommend that in a customer-oriented service firm, customer contact employees must be able to adapt and respond quickly to customer needs.

Organizations that reward employees on the basis of factors such as customer satisfaction, building customer relationships, and so on tend to be more customer oriented (http://knowledge.emory.edu/print_version.cfm/articleId=483&ctd=4).

Service quality is a result of an interactive marketing process, where employees and customer interact. Customer knows what he/she wants and the employee knows how to provide a solution to the needs of the customer (Malin, 1999).

According to Larm (2001) organizations that have good internal quality management systems are typically in a better position to adopt a customer orientation, as a result, be more successful in the market place.

Zeithaml, Berry, and Parasuraman (1996) found that service quality has a strong effect on behavioral intentions: Subjects’ loyalty to the company (+), propensity to switch (-), willingness to pay more (+), and external response to problem (-). Rust et al (1995) proposed a model of service quality improvement and profitability and
found that service quality improvements lead to higher satisfaction, and retention rate, achieve cost reduction, attract new customers, and yield greater profitability.

Grewal and Tansuhaj (2001) carried out a study on the role of market orientation and strategic flexibility in helping small and mid-sized Thai firms manage the recent Asian economic crisis in which the authors argue that demand uncertainty captures the variability in customer populations and preferences, which requires organizations to adapt their product offerings, plans, and strategies to the changing demand conditions. Customer orientation helps firms track these changes in the consumer environment and should aid in managing uncertainty. As the demand uncertainty increases, so does a firm's need to be customer oriented. Therefore, researchers like Jaworski and Kohli; Slater and Narver posit that the positive relationship between customer orientation and firm performance should become stronger as demand uncertainty increase.

Kotler (2000) the company's share of market demand depends on how its products, services, prices, communications, and so on are perceived relative to the competitors'.

Griffiths (1999) notes that there are three general methods used to set prices: cost-based pricing, competitor-orientated pricing, and marketing-oriented pricing, which focuses on the consumer since it attempts to link prices to the value that customers place on a product or service.
Lovelock (1999) defines quality as the degree to which a service satisfies customers by meeting their needs, wants and expectations, and says that service quality is important for products differentiation and building customers loyalty.

Kotler (2000) argues that one of the major values customers expect from vendors is high product and service quality. Today's executives view the task of improving product and service quality as their top priority. According to Kotler (2000) most customers will no longer accept or tolerate average quality. If companies want to stay in the race, let alone be profitable, they have no choice but to adopt total quality management (TQM).

Chang etal (1999) argue that with the right quality, customers will be more responsive by continuing patronage and spreading good will. Such responses enhance the effectiveness of firm's operation and lead to customer satisfaction. They further contend that a market-oriented company must continuously studies various means of improving its offering quality and enhancing sustainable superior value for its customers.

According to Day (1999) customer driven organizations have superior skills in understanding, attracting and keeping valuable customers. These skills allow companies to keep their strategy aligned with changing market requirements. Even firms with world-class technology and innovative business models have to
stay close to their customers and ahead of competition to realize their full potential. Day (1999) further states that while many competitive advantages are rapidly eroded in today's environment, connections to customers are more dynamic and enduring if they are well developed and maintained.

Service firms that are more oriented to their markets and more knowledgeable of their customers' value chains are more likely to structure their services based on customers' needs and preferences. Consequently, they are capable of creating exceptional value for their customers (Chang et al., 1999).

There is an old saying in customer service circles: "A problem is a problem when the consumer feels it is a problem" (Burke, 1997).

According to Burke (1997) in today's increasingly competitive environment, consumers are becoming more discriminating in their purchases and making complaints about poor after-sales service, product quality and value-for-money. So responding effectively and efficiently to consumer complaints is an important area for businesses to address in order to provide differentiation in the market place and maintain customer loyalty.

Customer dissatisfaction often arises from poor business practices, and is an area organizations must address in their efforts to provide good customer service and encourage repeating sales. Everyone wants to be heard, understood, and
respected when they have a complaint to make. A good customer service is simply that—listening, understanding, and respecting. Solving customer complaints before the company loses the customers seems simple enough, as long as the firm gets customers to complain and set up a problem-solving process. The easiest way is to survey customers and find out how they feel about the company’s products and services. (Burke, 1997:79).

Burke (1997) states that ignoring a minor complaint or problem can only be interpreted as negative feedback by customers. Addressing customer service problems positively can often turn the most bitter buyer into one of a company’s most loyal customers. Some customers deal with a firm once and then they vanish, never to be seen again. Burke (1997) cited a 1994 survey of consumer behavior and complaints by Research Institute of America; the research offered the following conclusions:

- On average, 96 percent of customers who receive rude treatment will not complain. So when you hear a few complaints, they are only the tips of the iceberg.
- Ninety percent of customers who feel dissatisfied will not come back or buy again from that establishment. And they do not tell the establishment why. The establishment does not even get a chance to fix the problem. Such is the modern-day consumer.
- Each of these dissatisfied customers will relate their horror story to at least nine others. Some of them (13%) will tell their story to 20 persons, not just
nine. Thus 100 unhappy customers will spread bad publicity about the establishment to 1,043 people.

- For every complaint reported to management, 24 others go unreported.
- Sixty-eight percent of customers who give up on certain establishment do so because they think management is indifferent. They do not criticize the staff. The feeling is: Management should have known better. If management really cared, none of the problems would have happened.
- It would take at least 12 positive incidents to erase the effect of just one bad experience.
- Between 54% and 70% of those who complain will shop again at the establishment if the complaint is resolved amicably. If the complaint is resolved quickly, 95% of complainants will come back.

Sussman (2001) reports that many of Microsoft’s customer-center efforts involve anticipating the needs of customers before they complain. If a client reports a software bug, for example, the company will be able to immediately transmit the fix to all affected users before they even become aware of it.

A study done by Tax and Brown (1998) found out that companies that encourage disappointed customers to complain - and also empower employees to remedy the situation on the spot - achieve higher revenue and greater profits than companies that do not have a systematic approach for addressing service
failures. Tax and Brown (1998) found that companies that are effective at resolving complaints:

- Develop hiring criteria and training programs that take into account employees' service-recovery role.
- Develop guidelines for service recovery that focus on achieving fairness and customer satisfaction.
- Remove barriers that make it difficult for customers to complain, while developing effective responses, which may include empowering employees to provide compensation for the failure. For example, Pizza Hut prints its toll-free number on all Pizza boxes. When a customer complains, Pizza Hut sends voice mail to the store manager, who must call the customer within 48 hours and resolve the complaint. Another example for those companies, which develop effective responses, is sometimes when a Virgin Atlantic Airways flight arrives several hours late at Heathrow Airport in London, CEO Richard Branson may personally come to apologize and distribute for future flights.
- Maintain customer and product databases that let the company analyze types and sources of complaints and adjust its policies (Tax and Brown, 1998).

The old proverb says, "The customer is always right". It is much easier to keep a customer that currently patronizes a firm than it is to try to regain one that has
left. The majority of customer complaints, even those that may start off with the client being very angry, can usually be handled in a calm, mature manner. A good strategy is to “kill them with kindness” when handling customer complaints (http://www.tanningtraining.com/can_chap14.html).

According to Kendall and Russ (1975) some of the most suggestive evidence about the many companies providing superior service and building customer satisfaction comes from studies of consumer complaint behavior. For example, several years A.C. Nielsen Co. surveyed some customers of one large food processor to find out how often they complained when they were dissatisfied and what they were likely to do about their lack of satisfaction. Nielsen’s findings: Only 2% of all the dissatisfied customers complained, while 34% of all the dissatisfied penalized the manufacturer by quietly switching brands. Another 4% stopped buying any manufacturer’s brand of the offending product type.

Doyle (1994) notes that in a competitive economy, customer can choose from whom to buy. Customers choose to buy from those companies that they perceive as offering the best value. Value is a function of the perceived quality and the price of the company’s offer. Consequently, in order to succeed companies must be managed to offer superior value in terms of lower prices or higher quality. Unless they are competitive they cannot generate the revenue from customers to survive.
Padilla (1996) consumer satisfaction is important to the marketer because it is generally assumed to be a significant determinant of repeat sales, positive of word-of-mouth, and consumer loyalty.

Fornell (1992) enumerates several key benefits of high customer satisfaction for a firm as increased loyalty, reduced price elasticity’s, lower transaction costs, reduced failure costs, new customers, and increased reputation.

A study done by Dawes (2000) on market orientation and company profitability, Further Evidence Incorporating Longitudinal Data on businesses of a wide range of sizes from all industries in South Australia found that both customer analysis and customer responsiveness are positively associated with profitability. Likewise, Narver and Slater (1994) report a positive linkage between customer orientation and new product success.

2.1.3 MEASURES OF CUSTOMER FOCUS.

There are several accepted scales that have been used to measure customer orientation, this study adapted several existing scales form the MARKOR (Kohli, Jaworski &Kumar, 1993), MKTOR (Narver & Slater, 1990), Palmer and Mayer (1996), Dawes (2000), DFW (Deshpande’, Fairley &Webster, 1993), and Deng and Dart (1994) instruments. To see measures of customer focus used by this study see table 1 for customer analysis measures and table 2 for customer responsiveness.
**Customer Analysis Scale**

The customer analysis scale is shown in table 2.1.

**Table 2.1**

**Customer Analysis Scale**

<table>
<thead>
<tr>
<th>Scale Item</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The service provider established a forum through which we can freely</td>
<td>Based on Dawes (2000) item 6 “A key strength of this firm is effective customer analysis” and MARKOR (Kohli, Jaworski &amp; Kumar, 1993) item 1 “In this organization, we meet with customers at least once a year to find out what products or services they will need in the future”.</td>
</tr>
<tr>
<td>and openly express our delights and disappointments</td>
<td></td>
</tr>
<tr>
<td>2. I prefer the service and product I am offered to the others.</td>
<td>Based on MARKOR (Kohli, Jaworski &amp; Kumar, 1993) Item 4 &quot;We are slow to detect changes in our customers product preferences”, and Deng and Dart (1994) global Item 3 &quot;Find out what customers want and then provide those benefit&quot;.</td>
</tr>
<tr>
<td>3. The service provider can currently claim to know my and other customer</td>
<td>Based on Kohli and Jaworski’s (1990)</td>
</tr>
</tbody>
</table>
Needs.

Statement “Market intelligence is broader concept as it includes considerations...current as well as future needs” and Dawes (2000) Item 4 “The firm has a structured program that obtains the feedback necessary to fully understand customers”

4 The service provider always Conducts a research to know The way customers feel about The products and services it Offers.

adapted from MKTOR (Narver Slater, 1990) Item 5, “we measure customer satisfaction systematically & frequently” also (Palmer and Myer, 1996) “The Extent to which some form of Routine marketing research is undertaken to establish the Quality of the interaction between The company’s employees & its Customers”.

5 I am proud to be associated With this company (i.e., customer Satisfaction).

Based on Dawes (2000) Item 5 “A high priority is placed on Implementing changes to increase future customer Satisfaction, and (Palmer and Mayer, 1996) “Whether the Company undertook routine After—sales monitoring of Customer satisfaction”.
### Customer Responsiveness

The Customer Responsiveness scale is shown in table 2.2.

#### Table 2.2
Customer Responsiveness Scale

<table>
<thead>
<tr>
<th>Scale Item</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  If any, our complaints are always</td>
<td>Adapted from MRKOR Scale (Kohli, Jaworski &amp; Kumar, 1993) Item 28 “Customer complaints Fall on deaf ears in this business Unit, and Dawes (2000)  &quot; If Customer complain, changes are Made very quickly&quot;.</td>
</tr>
<tr>
<td>Taken well</td>
<td></td>
</tr>
<tr>
<td>2  The prices quoted for products and Services are worth, with regard to</td>
<td>Adapted and significantly altered from MARKOR scale (Kohli, Jaworski &amp; Kumar, 1993) item 30 “We are quick to respond to significant changes in our competitor's pricing structures”.</td>
</tr>
<tr>
<td>Quality and quantity.</td>
<td></td>
</tr>
<tr>
<td>3  The service provider's employees And management are always Committed</td>
<td>Based on MKTOR (Narver &amp; Slater, 1990) item 2 “We monitor our level of commitment and Orientation to serving customers' Needs, also (Palmer and Mayer, 1996) &quot; The importance of staff training aimed at improving the quality of employee-customer interaction”.</td>
</tr>
<tr>
<td>to assisting customers in most matters.</td>
<td></td>
</tr>
<tr>
<td>4  The service provider offers Products and services that I think are of</td>
<td>Adapted from MARKOR (Kohli, Jaworski &amp; Kumar, 1993), Item 4 “We survey end users at least</td>
</tr>
<tr>
<td>high quality.</td>
<td></td>
</tr>
</tbody>
</table>
Once a year to assess the quality of our products and services", and Palmer and Mayer (1996) "Whether customer feedback on quality issues forms an important part of managers' appraisal".

Narver and Slater's (1998) statement "When market Demand is growing, it is easier for all sellers to acquire and retain customers and earn profits", and MARKOR (Kohli, Jaworski & Kumar, 1993) Item32 "When we find out that customers like us to modify a product or service the departments involved make concerted efforts to do so", and also Dawes (2000) "The firm responds quickly to changing customer requirements".

International Foundation for Customer Focus (1999) conducted several studies on European countries like Belgium, Spain, Denmark, Finland, France, Greece, Iceland, Italy, Portugal, Sweden and Switzerland to assess the level of satisfaction of current customers and the reasons for their perception. The studies measured the level of customer focus by using the devised interdependent structural model including relationships to the quality of the product, quality of the service, perceived value, company image, customer expectation and loyalty.
IFCF studies employed the above indicators on the scale of 0-100 (where 0 means that all current customers are totally unsatisfied and 100 that all customers are totally satisfied) and compared different industries in European Countries, namely: Telecommunications (both fixed lines and mobile phones), Banking and Supermarkets (IFCF, 1999).

According to IFCF (1999) the model employed allows comparing the satisfaction of customers between companies of the same industry on one country as well as to do comparisons between industries and countries. The studies found that European customers give their fixed phone providers an average score of 65.4 and the comparable figure for mobile phone providers is 68.5 (on the scale 0-100, where 0 means extremely poor and 100 best possible), moreover, the studies found that there was a strong relationship between the level of competition in a country and the average Customer Satisfaction Index (CSI) level. Both Retail banking and Supermarkets got an overall Customer Satisfaction Index of about 70.

Customer focus measures used by Customer Relationship Management (CRM) UK, Ltd include customer satisfaction, handling complaints, product delivery, product return, customer requirements, sales figures, benchmarking of operational performance and response times to customer enquiries CRM (1999).
For each of the 10 scale items in this study, Five-Point Likert scale was used, with response options ranging from 1 “Strongly Disagree” to 5 “Strongly Agree”.

There are numerous empirical studies in diverse environments in the world that have examined between market orientation and company performance. The appendix provides a summary of those empirical researches from 1990 to early 1999. From the 36 studies shown in the appendix, 30 studies found a direct positive association between market orientation (customer focus is a sub component of market orientation) and performance. Other studies that do not include in the appendix are discussed below.

Han, Kim, and Srivstara (1998) found in their study that a customer orientation was positively associated with innovation, which in turn was linked to higher performance.

Derrick (2001) conducted a study on marketing orientation in Minor League Baseball on 100 minor league team in North America; the results suggest that Minor League business operations have not evolved past a selling orientation.

Bhuiian (2000) conducted a study on manufacturing companies in Saudi Arabia to examine market orientation and performance. Further, his study attempts to investigate the moderating effects of market turbulence, competitive intensity, and technological turbulence on the market orientation-performance linkage.
Bhuiyan (2000) found that the market orientation performance linkage is strong and positive and consistent with the previous findings (Jaworski and Kohli, 1993; Narver and Slater, 1990).

There is empirical evidence that market orientation of public health services has improved the organization's performance (Hullums, 1994 as quoted by Kayaga and Franceys, 1998). In addition a case study conducted in Uganda showed that the operating environment is ripe for market orientation in the public health sector (Kayaga, 1997 as quoted by Kayaga and Franceys, 1998).

Chang & Chen (1998) carried out a study to examine the mediating role of service quality in the market-orientation-performance linkage in context of stock brokerage service industry in Taiwan. They found that their study successfully replicates the positive market orientation-profitability relationship.

Kayaga and Franceys (1998) recommend in their study" Market Orientation for Water Utilities, Uganda, that water utility managers in low income countries should take up the challenge and develop a customer orientation in the delivery of services, for better corporate performance. Customer orientation aspects they recommend include carrying out research to establish means and ways of enhancing technical quality, differentiating the service, evolving a system for information collection on customers' needs and wants, disseminating information to customers, complaints monitoring and handling, enhancing of external
customer participation in service design and promotion, system’s maintenance, service quality evaluating and monitoring, policy making and price setting.

Bhuian (2000) argues that an adoption of a market orientation by firms could lead to higher performance, he further contends that a market orientation requires commitment of resources and is useful if the benefits afforded by it exceed the cost of these resources. Moreover, he contends that under the condition of low competition, a market orientation may not be preferred orientation for firms.

Pulendran, Speed, and Widing (2000) empirically examine the antecedents and consequences of market orientation in Australian context, and found that understanding the culture, activities and process associated with market-oriented activity have significant implications for organizations in Australia.

Pulendran et al (2000) compare the relationship between market orientation and performance of Australian and US firms and argue that the relationship is not as strong in Australian Firms as US ones.

A research paper conducted by Cadogan, Diamantopolous and Siguaw (2001) on export market-oriented activities, their antecedents and performance consequences on exporters based in United States found that export experience, export dependence and coordinating capabilities were positively related to export market-oriented (EMO) activities. They note that if a firm consistently identifies
and responds to customers’ current needs and preferences and is able to anticipate future needs and preferences, it will be in a better position to satisfy customers and perform well against competitors.

Chang et al. (1999) explore the effect of market orientation on effectiveness and cost efficiency using data drawn from automotive distribution channels in Finland and Poland and found out market orientation is positively associated with measures of effectiveness such as service quality and overall customer service level.

A study conducted in Kenya by Chepkwony (2000) determining the effectiveness of Kenya Power and Lighting Company customer service. This study found out that 61.9% of the respondents were dissatisfied with the services, while 37.5% were satisfied with the services; the study implies that the company was not customer focused (Chepkwony, 2000).

Likewise another study conducted in Kenya by Rotich (1997) on identifying factors that determine customer-switching behavior in the banking industry concluded that customers experienced dissatisfaction, thus took action to switch banks (Rotich, 1997).

Okeyo (1998) conducted a study on Market Orientation of Kenyan companies, in which the researcher tested 33 companies of five different sectors, namely
Agriculture, Commercial and Service, Finance and Investments, Industrial and Allied and Others, the study concludes that companies in Kenya are market oriented, which can be inferred that they are customer oriented according to the assumption taken by (Narver and Slater, 1990; Kohli and Jaworski, 1990) that market orientation is unidimensional construct, in which its sub components contribute equally to the construct.

Locally, the researcher is not aware that any study done specifically to ascertain the extent to which Mobile Phone Providers in Kenya are customer focused.

**Figure: 2.1**

**CONCEPTUAL FRAMEWORK (SUMMARY)**

**CUSTOMER FOCUS**

- Customer forum to analyze customer needs.
- Customer preferences.
- Customer needs understanding.
- Customer survey/research.
- Customer satisfaction.

- Handling customer complaints
- Worthwhile prices of products
- Committed management & employees to serve customers
- High quality products & services
- Highly demanded products/services
CHAPTER THREE

2 RESEARCH METHODOLOGY

3.1 NATURE OF STUDY

The study was descriptive in nature. The reason for the choice of this particular design was that a descriptive approach demands clear specification of what or who is being researched, why research is necessary, the way the research is to be carried out and when and where the research is to be done (Cooper and Schindler, 2001).

3.2 The Population

The population of interest in this study consisted of the Safaricom Limited and Kencell communication Limited customers. The research was restricted to consumers in Nairobi; the focus was the USIU-A community of students and faculty that are subscribers of the mobile phone providers. There was no known list of the USIU-A community who subscribe to the two mobile phone providers, so convenience criteria was used to determine the number of customers.

3.3 Sample Size and Sampling Design

A sample size of 55 respondents was studied. It was not possible to study the entire population of mobile phone providers' customers. Because of the absence of a detailed list of names from which to select the sample from, the convenience
sampling approach was a better basis to use in selecting respondents for the study.

3.4 Data collection methods

Both primary and secondary data were used. Primary data was collected using personal interviews and drop-and-pick later method. The former was used to pre-test the questionnaire. A structured questionnaire was administered through "a drop-and-pick" formula. Secondary data of past researches and conceptual theories in the customer orientation was used to supplement the primary data.

3.5 Data analysis techniques

MS Excel was used for the data entry. The data was edited and responses placed in proper classes and categories before entry of data. Descriptive statistical tools used were tabulations and measures of central tendency. Data was then presented using tables.

To determine the customer focus of the mobile phone providers in Kenya, the study consisted 10 Likert-scaled statements addressed customer analysis and customer responsiveness. The respondents were asked to indicate the strength of their agreement with various statements using 1 for "Strongly Disagree" to 5 for "Strongly Agree"
CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

The main objective of this study was to determine the extent to which the Mobile Phone Providers in Kenya have been customer focused. A total of fifty-five (55) questionnaires were distributed and analyzed.

In this chapter, the findings from the research are presented.

4.1 Number of customers for each of the mobile phone providers.

Respondents were asked to indicate the Mobile Phone Provider that they may have subscribed to. The results are as presented on the table below.

Table 4.1: Number of customers for each of the mobile phone providers.

<table>
<thead>
<tr>
<th>Mobile Phone Service Provider</th>
<th>No</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safaricom</td>
<td>32</td>
<td>58.2</td>
</tr>
<tr>
<td>Kencell</td>
<td>23</td>
<td>41.8</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

N=55

From the table above, it is evident that 32 (58.20%) respondents were Safaricom subscribers, while 23(41.20%) respondents were Kencell subscribers. This implies a majority of respondents were Safaricom subscribers.

4.2 Sex of the Respondents

Respondents were asked to indicate which sex group they belong to. The results are as presented on the table below.

Table 4.2: Sex of the Respondents.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>19</td>
<td>16</td>
<td>35</td>
<td>63.6</td>
</tr>
<tr>
<td>Female</td>
<td>13</td>
<td>7</td>
<td>20</td>
<td>36.4</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>23</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

N=55
35 of the respondents were Male, while 20 of the respondents were Female. This implies that a majority of the respondents were Male. Of the male respondents, 19 were subscribers of Safaricom, while 16 were Kencell subscribers. On the other hand, 13 female respondents were Safaricom subscribers, while 7 were Kencell subscribers.

4.3 **Number of years that the customers have been clients to the Mobile Phone Providers.**

In the study, customers were requested to indicate the number of years they have been clients of the mobile phone providers. The results are as shown on the table below.

<table>
<thead>
<tr>
<th>No of Years</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a Year</td>
<td>16</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>1-2 Years</td>
<td>11</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>More than 2 Years</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>23</td>
<td>55</td>
</tr>
</tbody>
</table>

N=55

From the above table, it is evident that 30 respondents have been subscribers for the mobile phone providers for less than one year; 16 being Safaricom customers, while 14 were Kencell customers. 20 respondents have been subscribers for Safaricom and Kencell for one to two years; 11 of them were Safaricom subscribers, while 9 were Kencell subscribers.

Five (5) respondents have been customers for Safaricom for more than two years. None of the respondents has been a subscriber for Kencell for more than two years. This is because the latter was incorporated in Kenya two years ago.
4.4 **Buying of scratch-cards.**

It was felt necessary to determine whether the respondents buy or do not buy scratch-cards offered by the Mobile Phone Providers. The results are as presented on the following table.

**Table 4.4:** Buying of scratch-cards.

<table>
<thead>
<tr>
<th>Buying of scratch-cards</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>31</td>
<td>21</td>
<td>52</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>23</td>
<td>55</td>
</tr>
</tbody>
</table>

N=55

Table 4.4 shows that 52 respondents buy scratch-cards; 31 of them were Safaricom subscribers, while 21 were Kencell subscribers. Those who do not buy scratch-cards were only 3 respondents; 2 of them were Kencell customers, while 1 respondent was a Safaricom subscriber.

4.5 **How often customers buy scratch-cards.**

The respondents of this study were asked how often do they buy scratch-cards. The findings are as presented on the table below.

**Table 4.5:** How often customers buy scratch-cards.

<table>
<thead>
<tr>
<th>Duration</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Weekly</td>
<td>13</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Monthly</td>
<td>15</td>
<td>13</td>
<td>28</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Missing Cases</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>23</td>
<td>55</td>
</tr>
</tbody>
</table>

N=55

The table shows that only 1 subscriber of Safaricom buys the scratch-card daily; 17 respondents buy the Scratch-cards weekly; 13 of them were Safaricom subscribers; while the remaining were Kencell subscribers. 28 respondents buy scratch-cards monthly; 15 of them were Safaricom subscribers, while 13 were
Kencell subscribers. Three respondents said they do not buy Scratch-cards; one of them was subscribed to Safaricom, while the other two were Kencell clients. Other 6 respondents mentioned that they buy scratch-cards when their credit is over, have money or want to make a call and do not have credit.

4.6 Denominations of Scratch-cards customers buy

Scratch-cards for the two Mobile Phone Providers are available in several denominations, for example, Ksh.10, 000, Ksh.5000, Ksh.1200, etc. Respondents were asked to indicate the type of Scratch-cards they buy. The results of this question are as summarized on the following table.

<table>
<thead>
<tr>
<th>Denominations</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ksh.10,000</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Ksh. 5,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ksh. 1,200</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Ksh. 1,000</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Ksh. 600</td>
<td>0</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Ksh. 500</td>
<td>12</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>Ksh. 250</td>
<td>0</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Missing Cases</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42</td>
<td>23</td>
<td>65</td>
</tr>
</tbody>
</table>

N=55

From the above table, it is clear that only 1 Safaricom customer buys the Ksh.10,000-denominated Scratch-cards. None of the respondents buys the Ksh.5000-denominated Scratch-cards. 1 Safaricom customer and 1 Kencell customer buys the Ksh.1200-denominated Scratch-cards. 20 Kencell subscribers buy the 600-denominated Scratch-cards; 18 Safaricom clients buy the 500-denominated Scratch-cards. 12 Safaricom customers buy scratch-cards. 3 respondents do not buy scratch-cards; 1 of them was Safaricom subscriber, while the other 2 were Kencell subscribers.

Moreover, the above table shows that the total number of respondents is more than 55 because some subscribers buy more than one type of scratch-cards.
4.7 Customer Focus
In this section the researcher wanted to determine the extent to which the two Mobile Phone Providers are customer focused. A likert attitude scale was used to determine the level of agreement or disagreement with ten statements. The results for each statement are presented below.

4.7.1 Customers' demand for products and services.
Respondents were asked to indicate the extent to which they agree or disagree with the statement, “Customer highly demand products and services offered by the Mobile Phone Provider”. The findings are presented on the table below.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Agree</td>
<td>22</td>
<td>12</td>
<td>34</td>
</tr>
<tr>
<td>Uncertain</td>
<td>4</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

N=55

The above table shows that 5 Safaricom customers and 4 Kencell customers strongly agree that customers highly demand the products and services of the two companies. 22 Safaricom subscribers and 12 Kencell subscribers agree with the statement. 4 Safaricom customers and 7 Kencell customers were uncertain with the statement. Only one Safaricom client disagrees with the statement. None of the respondents strongly disagree with the statement. It implies that the majority of the respondents either strongly agrees or agrees with the statement.

4.7.2 Offering high quality products and services.
Subjects were asked to indicate the level of their agreement or disagreement that the products and services provided by the Mobile Phone Providers were of high quality. The results are as shown on the following table.
Table 4.7.2  Offering high quality products and services.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>Uncertain</td>
<td>4</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

N=55

From the above table, it is that only one respondent subscribed to Safaricom strongly agrees that the products and services offered by the Mobile Phone Providers are of high quality. 24 Safaricom customers and 10 Kencell customers mentioned that they agree with the statement. Four clients for Safaricom and 9 Kencell clients were uncertain with the statement. 3 Safaricom subscribers and 4 Kencell subscribers disagree with the statement. None of the customers of the both companies strongly disagree with the statement.

4.7.3 Preferences by consumers of products and services offered.

Respondents were asked to mention the extent to which they agree or disagree with the statement, "I prefer the service and product I am offered to the others." The results are presented on the following table.

Table 4.7.3  Preferences by consumers of products and services offered.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>11</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Agree</td>
<td>11</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>Uncertain</td>
<td>9</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

N=55
As shown on the above table, 11 Safaricom customers and 1 Kencell customer strongly agree that they prefer products and services offered by their service provider to others. 11 Safaricom clients and 7 Kencell clients agree with the statement. While 9 customers subscribed to Safaricom and 5 customers subscribed to Kencell were uncertain with the statement. Only 1 customer for Safaricom and 10 customers for Kencell disagree with the statement. None of the respondents strongly disagree with the statement. It can be concluded that more Safaricom customers prefer the products and services offered by their company than Kencell customers.

4.7.4 Knowledge of customer needs.
The respondents interviewed were asked that the extent to which they agree or disagree that "The Mobile Phone Providers currently know customer needs". And the results of the above question are as presented the table below.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>9</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Uncertain</td>
<td>14</td>
<td>9</td>
<td>23</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>23</td>
<td>55</td>
</tr>
</tbody>
</table>

N=55

From the above table, it is evident that 5 Safaricom customers and 2 Kencell customers strongly agree that the Mobile Phone Providers currently know customer needs. 9 subscribers for Safaricom and 3 subscribers for Kencell agree with the statement. 14 respondents subscribed to Safaricom and 9 respondents subscribed to Kencell were uncertain with the above statement. 3 Safaricom customers and 5 Kencell customers disagree with the statement. Only 1 client to Safaricom and 4 Kencell clients strongly disagree with the statement. It implies
that the majority of respondents either was uncertain or disagrees with the statement.

4.7.5 **Conducting research on customers.**

The subjects were asked to state the level of their agreement with the statement, "The Mobile Phone Providers always conducted a customer research". Presented below are the results of the above question.

**Table 4.7.5 Conducting research on customers.**

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Uncertain</td>
<td>18</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

N=55

From the above table, it is clear that 2 Safaricom customers and only 1 customer to Kencell strongly agree with the statement, "The Mobile Phone Providers always conducted a customer research". None of the respondents agrees with the statement, while 18 Safaricom customers and 9 Kencell customers were uncertain with the statement. 11 Safaricom customers and 7 Kencell customers disagree with the statement. Only one customer to Safaricom and 6 customers to Kencell strongly disagree with the statement. This implies that the majority of respondents strongly disagrees, disagrees or was uncertain with the statement.

4.7.6 **Employees and management’s commitment to assisting customers.**

The respondents were asked to indicate the extent to which they agree or disagree that the Mobile Phone Providers’ employees and management are always committed to assisting the customers in most matters. The results are as presented in the following table.
Table 4.7.6 Employees and management’s commitment to assisting customers.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Agree</td>
<td>21</td>
<td>4</td>
<td>25</td>
</tr>
<tr>
<td>Uncertain</td>
<td>7</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

N=55

From the above table, it is evident that 4 Safaricom customers and 11 Kencell customers strongly agree that the employees and management are always committed to assisting the customers in most matters. 21 Safaricom customers and 4 Kencell customers agree with the above statement. 7 Safaricom clients and 5 Kencell clients are uncertain with the statement. Only 3 respondents who subscribed to Kencell disagree with the statement. None of the subjects of this study disagree with the statement. It implies that the majority of the respondents either strongly agrees or agrees that the employees and the management of the two mobile companies are always committed to assisting the customers in most matters.

4.7.7 Handling customer complaints.

The subjects of this study were asked to point out the extent to which they agree or disagree that the customer complaints are always taken well. The results are shown the table below.

Table 4.7.7 Handling customer complaints.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Agree</td>
<td>17</td>
<td>11</td>
<td>28</td>
</tr>
<tr>
<td>Uncertain</td>
<td>7</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

N=55
Table 4.7.7 shows that 5 respondents subscribed to Safaricom strongly agree that customer complaints are always taken well. None of Kencell customers strongly agree with the statement. Those who agree with the statement are 17 Safaricom subscribers and 11 Kencell subscribers. 7 Safaricom customers and 7 Kencell customers are uncertain whether the customer complaints are always taken well. Those who disagree with the statement are 3 Safaricom customers and 3 Kencell customers. Only 2 Kencell customers strongly disagree with the statement.

4.7.8 Prices of products and services with regard to quality and quantity.

The subjects were asked to state the level of their agreement and disagreement that the prices quoted for products and services are worth, with due regard to quality and quantity. The results received are summarized on the following table.

Table 4.7.8 Prices of products and services with regard to quality and quantity.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>11</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Uncertain</td>
<td>8</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Disagree</td>
<td>7</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>23</td>
<td>55</td>
</tr>
</tbody>
</table>

N=55

From the above table, 3 Safaricom subscribers strongly agree that the prices quoted for products and services are worth, with due regard to quality and quantity. 11 Safaricom customers and 4 Kencell customers agree with the above-mentioned statement, while 8 Safaricom customers and 8 Kencell customers are uncertain with the statement. 7 Safaricom clients and 7 Kencell clients disagree with the statement. 3 Safaricom customers and 4 Kencell clients strongly disagree with the statement. It implies that the majority of the respondents is uncertain, strongly disagrees or disagrees with the statement.
4.7.9 Existing customer forum

It was felt necessary to determine the level of agreement and disagreement of the respondents that the service providers established a forum through which the customers could freely and openly express their delights and disappointments. The results are shown on the following table.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Agree</td>
<td>7</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Uncertain</td>
<td>15</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>23</strong></td>
<td><strong>55</strong></td>
</tr>
</tbody>
</table>

N=55

The above table demonstrates that 4 Safaricom subscribers strongly agree that the mobile phone provider established a forum through which customers can freely and openly express their delights and disappointments. None of Kencell customers strongly agree with the above statement. 7 customers subscribed to Safaricom and other 6 customers subscribed to Kencell agree with the statement. 15 Safaricom subscribers and 2 Kencell subscribers are uncertain with the statement. 4 Safaricom clients and 14 Kencell clients disagree with the statement. Only 2 Safaricom customers and 1 Kencell customer strongly disagree with the statement.

4.7.10 Customers’ willingness to be associated with the Mobile Phone Providers.

It was felt necessary to determine whether the customers were proud to be associated with their service providers or not. The results are summarized on the table below.
Table 4.7.10 Customers’ willingness to be associated with the Mobile Phone Providers.

<table>
<thead>
<tr>
<th>Level of agreement</th>
<th>Safaricom</th>
<th>Kencell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>20</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Uncertain</td>
<td>5</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>Disagree</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>23</td>
<td>55</td>
</tr>
</tbody>
</table>

N=55

The table 4.7.10 illustrates that 7 Safaricom customers strongly agree that they are proud to be associated with their Mobile Phone Provider (Safaricom). 20 Safaricom subscribers and 5 Kencell subscribers agree with the statement. 5 Safaricom clients and 12 Kencell clients are uncertain with the statement. Only 6 Kencell subscribers disagree with the statement. None of the respondents strongly disagree with the statement.

The maximum score for this section was 50, while the minimum was 10. A four-point scale was used to summarize the responses. A score between 40-50 indicates that a firm is highly customer focused, that between 30-40 shows that the firm is customer focused, that between 20-30 points out that the firm is slightly customer focused, that between 10-20 indicates that the firm is not customer focused.

To determine the extent to which the two companies are customer focused, a four-point scale has been used to summarize the responses analyzed in 4.7.1-4.7.10. The scale ranged from highly customer focused to not customer focused. To ensure comparisons of data, the scores have been standardized by determining the average (mean) score for ten statements. The following are the distribution of the scores:

- 40-50 Highly customer focused
- 30-40 Customer focused
- 20-30 Slightly customer focused
10-20 Not customer focused

Based on the above scaling, the results for the two Mobile Phone Providers are analyzed separately below.

a) **Extent of customer orientation by Kencell Mobile Phone Provider.**

Based on the four-point scaling, the results for Kencell Mobile Phone Provider are presented below.

<table>
<thead>
<tr>
<th><strong>Statement</strong></th>
<th><strong>Score</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers' demand for products and services</td>
<td>89</td>
</tr>
<tr>
<td>Offering high quality products and services</td>
<td>75</td>
</tr>
<tr>
<td>Preferences by consumers of products and services offered</td>
<td>68</td>
</tr>
<tr>
<td>Knowledge of customer needs</td>
<td>63</td>
</tr>
<tr>
<td>Conducting research on customers</td>
<td>52</td>
</tr>
<tr>
<td>Employees and Management’s commitment to assisting customers</td>
<td>67</td>
</tr>
<tr>
<td>Handling customer complaints</td>
<td>73</td>
</tr>
<tr>
<td>Prices of products and services with regard to quality and quantity</td>
<td>57</td>
</tr>
<tr>
<td>Existing a customer forum</td>
<td>59</td>
</tr>
<tr>
<td>Customers’ willingness to be associated with the Mobile Provider</td>
<td>68</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>671</strong></td>
</tr>
</tbody>
</table>

Therefore, the average of the total score from the above ten statements will be 671/23=29.173969, which can be rounded to 29.

Based on the four-point scale, Kencell Mobile Phone Provider falls the category of 20-30 slightly customer focused.
b) **Extent of customer orientation by Safaricom Mobile Phone Provider.**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers' demand for products and services</td>
<td>127</td>
</tr>
<tr>
<td>Offering high quality products and services</td>
<td>119</td>
</tr>
<tr>
<td>Preferences by consumers of products and services offered</td>
<td>127</td>
</tr>
<tr>
<td>Knowledge of customer needs</td>
<td>110</td>
</tr>
<tr>
<td>Conducting research on customers</td>
<td>83</td>
</tr>
<tr>
<td>Employees and Management’s commitment to assisting customers</td>
<td>125</td>
</tr>
<tr>
<td>Handling customer complaints</td>
<td>115</td>
</tr>
<tr>
<td>Prices of products and services with regard to quality and quantity</td>
<td>100</td>
</tr>
<tr>
<td>Existing a customer forum</td>
<td>103</td>
</tr>
<tr>
<td>Customers' willingness to be associated with the Mobile Provider</td>
<td>130</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1139</strong></td>
</tr>
</tbody>
</table>

Therefore, the average of the total score from the above ten statements will be $1139/32=35.59375$, which can be rounded to 36.

Founded on the four-point scale, Safaricom Mobile Phone Provider falls the category of 30-40 customer focused.

Based on the results of the research, it is evident that the Kencell Mobile Phone Provider is slightly customer focused, while the Safaricom Mobile Phone Provider is customer focused.

Therefore, it can be concluded that Safaricom Ltd is more customer focused than Kencell Communications Ltd. None of the two companies is highly customer focused.
CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

This chapter discusses and summarizes the findings of this research based on the research objectives. It also provides recommendations, limitations of this study and suggestions for further research.

5.1 Summary and Discussions
This study sought to determine the extent to which the Mobile Phone Providers in Kenya are customer focused, the level of their customer focused and to determine if there is significant difference between the level of customer focus of Safaricom and Kencell.

Kotler (2000) notes that one of the major values customers expect from firms is high product and service quality. Today’s executives view the task of improving product and service quality as their top priority. According to the survey, to some extent the mobile phone providers in Kenya offer of high quality products and services. So if they want to stay in the race, they should improve the quality of products and services they offer.

Burke (1997) observes that armed with the knowledge of how existing customers feel; the customer-oriented company can make adjustments to meet expectations of its customers. Companies that are not customer-centered will continue to chase customers away and spend money trying to attract new customers. Consumers who may have heard the word from disgruntled ex-customers are likely to ignore even the most innovative advertising messages because they already have negative perceptions about the company. The researcher sought to determine the extent to which the mobile companies in Kenya currently know customer needs. The majority of the respondents of the
study felt that these companies do not have enough knowledge of customer needs.

According to Kotler (2000) responsive companies measure customer satisfaction directly by conducting periodic surveys. They send questionnaires or make telephone calls to a random sample of recent customers. They also solicit buyer’s views on their competitors’ performances. According to the research the mobile phone companies do not conduct a customer research periodically.

A study done by Tax and Brown (1998) found out that companies that empower employees to remedy the situation on the spot i.e., employees committed to assisting customers and also encourage customers to complain achieve higher revenue and greater profits than companies that do not have a systematic approach for addressing service failures. According to the survey, the mobile companies’ employees and management are committed to assisting customers.

Burke (1997) states that ignoring a minor complaint or problem can only be interpreted as negative feedback by customers. Addressing customer service problems positively can often turn the most bitter buyer into one of a company’s most loyal customers. The study sought to ascertain whether the customer complaints are always taken well or not, and found out that to some extent the complaints are taken well.

The researcher wanted to determine whether the prices of products and services are worth, with due regard to quality and quantity. The majority of the respondents felt that the prices are not worth with respect to quality and quantity.

Davidow and etal (1990) cited an organization that has succeeded in customer service as Federal express. This organization invites and encourages customers to participate in everything from designing the service to developing service measures and monitoring quality. Its commitment has been to have service
excellence. The researcher sought to find out that if the mobile phone providers have established a forum through which the customers can freely and openly express their delights and disappointments, the result indicated that these companies have not established such a forum.

5.2 Recommendations.

The study attracted different responses of the extent to which the customers agreed or disagreed with the dimensions of customer focus tested. From the study, it is evident that the mobile phone providers in Kenya need to take action to improve the level of their customer focus. The researcher puts forward the following recommendations.

- Companies should strive to know the customer needs, which help to provide products and services consistent with the customer needs.
- Companies should define customer needs from customer’s point of view as argued by Kotler (1997), the only way to know customer needs is through customer research.
- Companies should conduct customer research. The results of the research indicated that currently the companies do not conduct research. Conducting research on customers enables the companies to get insight on customer needs and wants, which is not always simple task. As Kotler (1997) contends there are five types of needs, which should be satisfied; they are: Stated needs, real needs, unstated needs, delight needs, and secret needs, therefore research can only unleash those needs, which ultimately makes possible the companies become highly customer focused.
- Employees and management of the companies should commit more to assisting their customers. By doing this, companies can produce loyal customers as has been argued by Kotler (2000). Kotler (2000) argue that today’s customers are harder to please. They are smarter, more price conscious, more demanding, less forgiving and approached by more competitors with equal or better offers. The challenge is not to produce
satisfied customers; several competitors can do this. The challenge is to produce loyal customers.

- The companies should put a lot of effort to handle customer complaints. According to Burke (1997) in today's increasingly competitive environment, consumers are becoming more discriminating in their purchases and making complaints about poor after-sales service, product quality and value-for money. So responding effectively and efficiently to consumer complaints is an important area for businesses to address in order to provide differentiation in the market place and maintain customer loyalty.

- The companies should review their prices of products and services. According to the study the majority of the respondents felt that prices of products and services were not worth with due regard to quality and quantity.

- The companies should establish a forum through which the customers can freely and openly express their delights and disappointments. They should regard customers as part of the family, so they should invite and encourage the customers to participate in everything from the designing the service to developing service measures and monitoring quality (Davidow and etal, 1990).

- The companies should encourage disappointed customers to complain, they also should empower employees to remedy the situation on the spot, and this would bring about the companies to achieve higher revenue and greater profits.

### 5.3 Limitations of the Study.

The study had the following limitations:

The researcher was not able to obtain the data required for the research from the companies concerned following their reluctance to give the data.
Furthermore, the study covered consumers of USIU-A community who own mobile phones only. Therefore, generalizations based on the outcomes of the study may not be applicable to the whole consumers in Nairobi and also to other areas in the country that the mobile phone providers' service is consumed.

5.4 Suggestions for Future Research

This study selected its sample from USIU-A community who own mobile phones. It would be useful in future to carry out the same study but by selecting the sample from a different area or the whole consumers in Nairobi. Through this way one can contrast whether the outcomes obtained will be the same or nearly the same as those obtained from this study.

Further studies should be undertaken to establish how to improve customer orientation in the areas noted as being weak in the study.

Moreover, a study should be carried out on other industries in Kenya to find out the extent to which they are customer focused. This will help comparisons of different industries in Kenya, how they are customer focused, and the level of their competitiveness.
Appendices

List of mobile phone providers in Kenya

<table>
<thead>
<tr>
<th>Firm</th>
<th>Year Started</th>
<th>Year privatized</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Safaricom Ltd.</td>
<td>1997</td>
<td>May 2000</td>
</tr>
<tr>
<td>2. Kencell Communications Ltd</td>
<td>28\textsuperscript{th} June, 2000</td>
<td>28\textsuperscript{th} June, 2000</td>
</tr>
</tbody>
</table>
### Previous studies on Market Orientation (MO) and Performance

<table>
<thead>
<tr>
<th>Study</th>
<th>Studies that found a positive association between MO and performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dashpand et al. (1993)</td>
<td>Positive association between customer perception of MO; and performance. No association between the level of MO as reported by managers, and performance.</td>
</tr>
<tr>
<td>Balabanis, Stables, and Philips (1997)</td>
<td>No association between current reported level of MO and performance. Significant association with reported previous level of MO and Performance.</td>
</tr>
</tbody>
</table>

#### Study

<p>| Slater and Narver (1994)               | Positive association. Environmental moderator effects also noted. |</p>
<table>
<thead>
<tr>
<th>Study</th>
<th>Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aushane-Gima (1996)</td>
<td>Positively association. Environmental moderator effects also noted.</td>
</tr>
<tr>
<td>Greenley and Foxall (1997)</td>
<td>Multiple Stakeholder Orientation (including customer and competitor Orientations) positively associated with some performance measure but Not others. Environmental moderator effects also noted.</td>
</tr>
<tr>
<td>Bhuian (1998)</td>
<td>Positively association. Environmental moderator effects also noted.</td>
</tr>
<tr>
<td>Study</td>
<td>Studies that found an association only under certain conditions.</td>
</tr>
<tr>
<td>Greeley (1995b)</td>
<td>Association depends on the environment.</td>
</tr>
<tr>
<td>Study</td>
<td>Studies that found no significant association.</td>
</tr>
<tr>
<td>Esslemont and Lewis (1991)</td>
<td>No significant association.</td>
</tr>
<tr>
<td>Tse (1998)</td>
<td>No significant association.</td>
</tr>
<tr>
<td>Caruena, Pitt and Berthon (1999)</td>
<td>No significant association.</td>
</tr>
</tbody>
</table>

Dear Sir / Madam

RE: REQUEST FOR RESEARCH DATA-CUSTOMER FOCUS

I am an MBA student at United States International University-Africa (USIU-A) undertaking a research entitled "The extent to which Mobile Phone Providers in Kenya are customer focused".

I would like to request your participation in answering the following questionnaire to the best of your knowledge. All information that I receive from you will be treated as confidential. Your accurate and unbiased response will be appreciated.

I am grateful to you for sparing some time so as to provide the information in the attached questionnaire.

Any additional information or comment not captured by the questionnaire would be highly welcome.

Thank you in advance.
Yours sincerely.

Abdikarim M. Ahmed
QUESTIONNAIRE TO THE CUSTOMERS

This questionnaire will be as brief as possible. I hope you will take your time to help me with relevant information.

SECTION I

1 Name of the mobile phone provider...
   a) Safaricom ( )
   b) Kencell communications ltd ( )
   c) Both ( )

2 Respondent’s sex
   1. Male ( )
   2. Female ( )

3 How long have you been a customer to this company?
   a) Less than a year ( )
   b) 1-2 year ( )
   c) More than ( )

4 Do you buy scratch-cards?
   a) yes ( )
   b) No ( )

5 How often do you buy scratch-cards?
   a) Daily ( )
   b) Weekly ( )
   c) Monthly ( )
   d) Others ( )
6. Which kind of scratch-cards do you buy?

a) Shs. 10,000 ( )
b) Shs. 5,000 ( )
d) Shs. 1,000 ( )
e) Shs. 600 ( )
f) Shs. 500 ( )
g) Shs. 250 ( )

SECTION II

Please indicate the level of your agreement or disagreement with the following statement.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

1. Customers highly demand products and services offered by the service provider. ( ) ( ) ( ) ( ) ( )

2. The service provider offers products and services that I think are of high quality. ( ) ( ) ( ) ( ) ( )

3. I prefer the service and product I am offered to the others. ( ) ( ) ( ) ( ) ( )

4. The service provider can currently claim to know my and other customer needs. ( ) ( ) ( ) ( ) ( )

5. The service provider always conducts a research to know the way we feel about the products and services it offers. ( ) ( ) ( ) ( ) ( )
6. The service provider's employees and management are always committed to assisting us in most matters.

7. If any, our complaints are always taken well.

8. The prices quoted for products and services are worth, with due regard to quality and quantity.

9. The service provider established a forum through which we can freely and openly express our delights and disappointments.

10. I am proud to be associated With this company.

Any other comments:

THANK YOU FOR YOUR COOPERATION.
TABLE OF ACRONYMS

GSM
GSM stands for Global Systems for Mobile Communications. It is becoming a standard for mobile or wireless communications, where there are about 450 GSM network providers in the world. GSM is a digital network and is a secure system. Mostly GSM networks operate on 900,1800 Mhz.

GSM NETWORK
GSM network is made up of many Base Transmission Stations (BTS).

BASE TRANSMISSION STATION (BTS)
A Base Transmission Station is basically an antenna that receives and needs signals to and from your mobile phone using radio waves. It is the link between the customer's mobile phone and the mobile service provider e.g. Safaricom or Kencell. (http://www.insightkenya.com/mobileservices).

GOLDEN NUMBER & PERSONALIZED NUMBER
When you subscribe with a mobile provider, you have the possibility of choosing a personalized mobile phone number, which is easy for you to remember.
(http://www.kencell.co.ke/kencell/customer/right.asp).
VOICE MAIL 555

It is a service that ensures that the customer never miss a call. If the customer's telephone is switched off, his/her line is busy or if he/she is out of coverage, the Kencell voice mail 555 enables anyone calling the customer to leave a message. (http://www.kencell.co.ke/kencell/customer/right.asp).

SHORT MESSAGE SERVICE (SMS)

It is a service that allows the customer to use his/her mobile phone as a pager if he/she does not wish to disturb the recipient of the call. He/she can send and receive short written text messages up to 160 characters to another customer's mobile provider (Kencell or Safaricom) subscriber. (http://www.kencell.co.ke/kencell/customer/right.asp).

CALL LINE IDENTIFICATION

It is a service that enables the customer to identify the person calling him/her. (http://www.kencell.co.ke/kencell/customer/right.asp).

CALL ON HOLD/CALL WAITING

This service allows the customer to switch from one conversation to another or to initiate a new call without interrupting the active call. (http://www.kencell.co.ke/kencell/customer/right.asp).

CALL FORWARDING

This service allows the client to forward his/her calls to another mobile or fixed post if he/she cannot be reached at his/her normal number. (http://www.kencell.co.ke/kencell/customer/right.asp).
CALL BARRING

It is a service that enables the customer to block his/her incoming calls or his/her outgoing calls. (http://www.kencell.co.ke/kencell/customer/right.asp).

CALL RESTRICTION

It is a service that enables the customer to restrict the usage of his/her mobile phone certain telephone numbers or destinations of his/her choice. (http://www.kencell.co.ke/kencell/customer/right.asp).

ROAMING

It is a service that make possible to use the customer's Kencell/Safaricom mobile phone abroad on his/her Kenyan Telephone number, this service will be coming soon, not yet available in Kenya. (http://www.kencell.co.ke/kencell/customer/right.asp).
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