

# Marketing Communication Based on Customer Satisfaction and Loyalty: Zantel Tanzania

Richard Allen Senguo, Sun Xixiang, and Nasero Charles Kilango

**Abstract**—The main purpose of this paper was to examine the effect of marketing communication based on customer satisfaction, customer loyalty, price fairness and customer services in the mobile telecom sector in Tanzania. Today's successful companies servicing in telecommunication sector of Tanzania have highly customer centered and deeply concerned to marketing communication. Through service fairness and price fairness inspire everyone in the firm to facilitate in building long lasting customer relationships. The successful in marketing communication, organizations must look into the needs and wants of their customers, that's why many researchers and academicians have continuously emphasized on the importance of customer satisfaction, and loyalty that has a positive effect on an organization's profitability. Therefore, the results demonstrate that the marketing communication plays a major role on managing customer relationship in Zantel. Due to the consequences, conclusion and discussion of the study are also based on the analysis.

**Index Terms**—Marketing communication, customer satisfaction, price fairness, customer services and Zantel Tanzania.

## I. INTRODUCTION

Zantel Telecommunication is the technology that has spread the fastest throughout the world. Tanzania has four major operators – Vodacom, CELTEL, TIGO and Zantel. There has been stiff competition and war on price among the companies including low priced services, loyalty programs and other seasonal promotions aimed strategically to gain and dominate more markets in the mobile sector. Zantel is cheaper compared with Tigo or other telecom, and when other telecommunication increases the rate of calling then Zantel decrease or remains constantly. Zantel Company has showed to be a powerful technical platform for marketing communication services and now financial services can be delivered to people in rural areas at low cost.

Zantel is the official brand name for Zanzibar Telecom Limited, the fourth mobile service provider in Tanzania, leading telecom services provider based in Tanzania. Established July 1999 and became operational a month later with its own international gateway, which enabled the firm to offer international communication services at extremely competitive rates and brand recorded as the fastest growing

network in Tanzania in 2007. With over 1 million subscribers from a base of 100,000 in 2005. Today, Zantel's network covers all cities, major towns, highways and rural areas in Tanzania. The company primarily provides integrated telecom solutions including fixed, mobile and data services through its CDMA, GSM and 3G networks. The company launched its 3G services in May 2012. It offers wireless and wireline services to over 3.07 million and 10,147 subscriptions respectively (March 2013). It has a market share of 11.2% in wireless and 6.0% in wireline market (March 2013). It is a joint venture between Emirates Telecommunications Corp (Stake 65%), Government of Zanzibar (Stake 18%) and Meeco International of Tanzania (Stake 17%).

Zantel brand putting the customer first in the market, however good products, strong the brand and customer satisfaction is the only way to have a competitive edge and to keep customers coming back all the time. Ref. [6] Indicated that the creation of value and more specifically customer value is increasingly of competitive advantage. Marketing Director Brian Karokola Zantel said "we want to bring our services closer to our customers for their convenience and offer them quality service." Added his voice to the importance of customers by making mention that the aim of Zantel is to identify and understand customers so well that the product on offer fits them well and sells itself even though businesses are to make profit, profit making is a necessity and not a purpose.

## II. RESEARCH OBJECTIVES

The main objective of the research was to explore the effect of marketing communication based on customer satisfaction and loyalty in the telecommunication industry in Tanzania. Some specific objectives were as follows:

- To identify the criteria customers use in measuring satisfaction.
- To identify the satisfaction level of customers
- To find out how loyal customers are to their service provider

## III. LITERATURE REVIEW

### A. Concepts and Definitions

Marketing communication (Marcom) refers to "the communications between a company and its customers which highlight the benefits and unique differences of a particular brand with purchase intention" [10]. It is "a process of planning and executing the conception, pricing, promotion and distribution of ideas, goods, and services to

Manuscript received February 12, 2017; revised April 16, 2017.

Richard Allen Senguo and Sun Xixiang are with Wuhan University of Technology, Tanzania (e-mail: richardnt@yahoo.com, 13971190718@163.com).

Nasero Charles Kilango is with Huazhong University of Science and Technology, China (e-mail: naserorichard@yahoo.com)

create exchange that satisfy individual and organizational objectives” [2]. Human and social needs identifying as per what producer and customer focus on advertising purchase intention in Fig. 1.

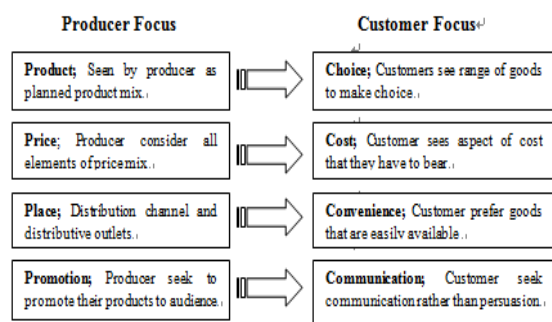


Fig. 1. Marketing purchase intention-4Ps and 4Cs.

### B. Customer Satisfaction, Price Fairness, and Services (Relationship)

Customer satisfaction and customer services are found having positive relationship. Now a day's relational marketing is considered very important on the realization of the fact that customer satisfaction is quite essential for the lasting relationship between service organization and customer. As in telecommunication service industry a special care is taken to develop good relationship. This study also validates this notion as if customers feel valued then they make a long term relationship with brand. Valued doesn't mean that they are just welcomed at the time of purchase. It means they are given importance even in case they are not satisfied with the services of network or their complaints regarding cellular services are given due importance and solved timely. So when customer services are good enough to make customer feel that they are important to the organization and the organization cares about them, then all it would lead to positive image toward a brand and eventually customer satisfaction would be enhanced. We argued that both *customer services and price fairness* are important in creating customer satisfaction. These factors also influence each other in one regard or the other. Customer satisfaction and price fairness has strong relationship; if price fairness exists then it would add to customer satisfaction. Similarly customer services and customer satisfaction also have great link, good services would make customers feel more satisfied though price fairness. These independent variables do not only influence dependent variable but also have strong relationship with each other.

### C. Customer Satisfaction and Loyalty

*Customer satisfaction*; [9] defined customer as 'a person or organizational unit that plays a role in the consummation of a transaction with the marketer or an entity'. From this definition Zantel customer could be individuals, households or organizations. It is essential for the survival of any business to view customer satisfaction. Ref. [7], view customer satisfaction as 'the extent to which a firm fulfils customers' needs desires and expectations'. The best way to find out whether customers are satisfied or not is to get their opinions about your products and services, what's most important to them, and then make improvements to those areas that have the biggest impact on their satisfaction. Ref. [8] Satisfied customers can it turn to satisfied employees that

mean satisfied employees tend to serve their customers better. The problem that businesses face is that, expectations are difficult to measure and the only way to know whether customers are satisfied or not is when the service has already been delivered, therefore the service quality is necessary.

*Customer Loyalty*; It is all about attracting the right customer, getting them to buy, buy often, buy in higher quantities and bring you even more customers. A customer is loyal to a particular marketer and/or service provider, when he decides to stay with the marketer and buy its products for a long time irrespective of the price and other non monetary factors. Customer loyalty is the creation of benefits for customers so that they maintain or increase their purchases from that organization [1]. Ref. [5] On his part describes customer loyalty as 'a deeply held commitment to re-pay or re-patronize a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behaviors. Customers will continue to be loyal to a particular firm if they feel and realize that better value is being offered.

### D. Price Fairness

Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable [11]. Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. Research has shown that customer's decision to accept particular price has a direct bearing at satisfaction level and loyalty and indirectly [4]. In another word, it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. The price fairness itself and the way it is fixed and offered have a great impact on satisfaction. According to [3], telecommunication services are like undifferentiated products therefore, customers are not price sensitive all the times and sometimes brand loyalty takes part in brand preferences. This is the reason; some consumers are retained with old monopolists.

### E. Customer Services

There's is no real secret to getting your customers to come back. All you need to do is provide excellent customer service. Because customers have more choices today and the targeted customers are more valuable to the company, customer service must receive a high priority within the company. The program designed to enhance customer service are normally of two types. Reactive service is where the customer has a problem (product failure, question about a bill, product return) and contacts the company to solve it. Most companies today have established infrastructures to deal with reactive service situations through 800 telephone numbers, faxback systems, e-mail addresses, and a variety of other solutions. Proactive service is different matter; this is a situation where the manager has decided not to wait for customers to contact the firm but to rather be aggressive in establishing a dialogue with customers prior to complaining or other behavior sparking a reactive solution. This is more a matter of good account management where the sales force or other people dealing with specific customers are trained to reach out and anticipate customers' needs.

Customer services includes many perspectives; *Firstly, Strategic Perspective* which includes identification of

profitable customers, information from customers, customer feedback, strategic about customers. *Secondly, Culture Perspective* include channel of Customer complaining feedback, customer centric-culture. *Thirdly, Organizational Perspective* such as the knowledge about customers, interaction with customers, long term relationship with customer. *Fourthly, Personal Perspective* as respecting for customers, training about customer care, and encouraging employees to be customer oriented.

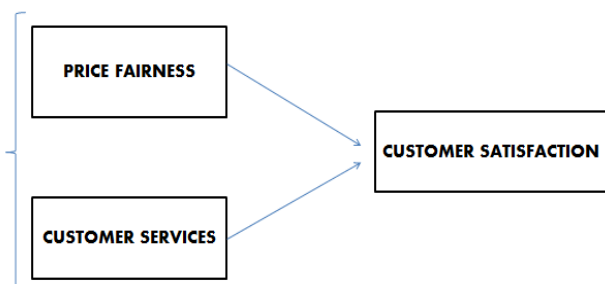


Fig. 2. Factors affecting customer satisfaction.

#### IV. RESEARCH METHODOLOGY

The research data were classified into two category, primary and secondary data. Primary data were collected by using questionnaires, direct from Zantel customers and/ or subscribers in the mobile telecommunication industry in Tanzania. While secondary data were obtained from library, internet, and journals. It was decided to collect at least 150 questionnaires to well support to come at reasonable conclusion, therefore a total of 90 questionnaires are delivered to and collected from the respondents. The target population range from 20 to 50 years. Participants show a good response as 90 questionnaires were fully completed and analyzed by the researchers. The analysis of data collected was done with the aid of Statistical Package for the Social Sciences—SPSS

#### V. DATA ANALYSIS

Data analysis presented in statements determine marketing communication on strategic perspective, culture perspective, organizational perspective, and personal perspective in understanding how to build the profitable relationships with customer satisfaction and loyalty. The results showed that customer satisfaction depends on price fairness and customer services. According to Hair *et al* (1998) the accepted cutoff for Cronbach’s Alpha value should be greater than 0.70. Other researchers urged that the Cronbach’s Alpha value of 0.6 also possible. The present data shows the Cronbach’s Alpha is 0.762 which imply data obtained is reliable and valid. (The Cronbach’s Alpha value in this research was 0.783, number of items 11).

##### A. Strategic Perspective

Identification of Profitable Customers; Employees and marketing executives must understand how to build profitable relationships with each customer and generate increased customer loyalty and higher margins. The survey found that 74.4% (67) of respondent are aware of the aim to identify profitable customers and therefore are directly seem

to manage customer relationship requires to evaluating life time value and long profitability of customer. However 22.2% (20) of respondents are not sure of their awareness that identification of profitable customer within the Zantel telecom are important in managing customer relationship and final data found that 3.3% (3) of respondents believe identification of profitable customer cannot manage customer relationship in the whole context of marketing communication process.

Information from Customers; Zantel success comes from achieved target and acquires customers to reach the maximum of these objectives; organization requires more information about customer in which 73.3% (66) of respondents are aware for the presence of information from customer enhance to manage customer relationship. Also 22.2% (20) of respondents are not sure either to collect information from customer is necessary in managing customer relationship; it’s specified that 4.4% (4) of respondent are not aware or they believe information from customer is not part of managing customer relationship.

Customer Feedback; Is the process or specific instance of providing information to business about products, services and customer service. Feedback from the customer is one of the primary performance indicators that can be used to judge the overall effectiveness of the Zantel telecom company. The survey indicates that 78.9% (71) of respondents have been received some feedback from served customers or they aware of customers can manage customer relationship, but 18.9% (17) of respondents have not experienced any feedback from the customers. The data also indicate that 2.2% (2) of respondents believe no feedback from the customer under their care.

Strategies about Customers; The data demonstrated that 74.4% (67) of employees are aware that establishing strategies with valuable customers is the purpose of the firms in managing customer relationship and final lead loyalty and retention of customer, and suitable managerial strategy is essential to enable the company to this objective successfully. However 24.4% (22) of employees are not sure about developing strategies about customer is an important in context of business process, lastly 1.1% (1) of employees believes to consider strategies about customer unnecessary in the case of managing customer relationship.

##### B. Cultural Perspective

Channel of Customer Complaining Feedback; In any telecom company, customer complaint about service or product normal happens and these comes either services or products didn’t meet the expectation of customer that result customers are unsatisfied which tend to be cost for the organization. It is an important to have special channel within the telecom company for customer complaining, 64.4% (58) of respondents are aware and believe to have channel for customer complaining feedback is necessary for managing customer relationship in the context of business process, 3.3% (30) of respondents are in different that regard to have regular channel of customer complaining, however 2.2% (2) of respondents is not important, no need in the case of managing customer relationship.

Customer Centric-Culture; A customer centric culture is closely related to the success of maintaining long term

relationships with customers; a customer-centric focus is supposed to be source of competitive advantage for firms and has positive power of business performance. The survey found that 70% (63) of respondents are aware to manage customer centric-culture within the firms, the firms need to be more customer-oriented and is encouraged to establish a customer focused culture within the organization. Hence 25.6% (23) of respondents are not sure in case of establishing customer centric culture whether be necessary or no need to managing customer relationship, and also 4.4% (4) of respondents exposed the customer centric culture does not help in managing customer relationship, this implies that, there are not aware or understand the important of customer centric culture in the background of the firms.

#### *C. Organizational Perspective*

Knowledge about customers; Customer knowledge is defined as the collection of information and insight that need to have to build stronger customer relationship. The survey found that 78.9% (71) of respondents are aware of the related information about customer and therefore they directly understand their customers in term of their needs, wants which in turn build real customer relationship. However, data find 21.1% (19) of respondents are not sure of their responsibility in satisfying customer. Thus knowledge toward the firm customers is limited and therefore it is difficult for them to manage stronger customer relationships.

Interaction with Customers; Interactions include call centers, frontline sales personnel, the internet, wireless communication channels, email, fax and many others. Organization are allowing more time for employees to interact with customers as they realize that customers spend more time interacting with the organization compared to the actual purchase procedures. The data shows that 96.7% (87) of respondents believe the interaction between customers and employees within the firm are very important. They supposed that interaction with customer by listening to them and by providing them satisfactory services can enhance customers-employee relationship. Employees should actively learn how to help customers by listening and giving superior service to them. Proactive listening means employee being aware of, and sensitive to both nonverbal and verbal messages. Thus, employees should learn how to deliver service to customers in case it is needed. Employees should be very confident in answering questions and providing information and service sympathetically. However still 3.3% (3) of the employees are indifferent to interaction between customers in their working environment and treat it as not necessary in managing customer relationship.

Long term Relationship with Customers; A long term relationship is regarding as on the key components for a firm to maintain high level of customer loyalty and retention. The survey demonstrated that 91.1% (82) of respondents believe pursuing long term relationships with profitable customer is an important in order to make the most of customer value in the long term. Hence, 8.9% (8) of respondents are not sure to have long term relationship with customer that real can be part of managing strong customer relationship, this indicates that the firm no need to plan long term relationship with customer.

Employee awareness with supplier as their customer; Suppliers also play big role to boost the service or product to the customers at a right time, therefore awareness of employees as well needs feedback from customer need and transmitted information to suppliers.

#### *D. Personal Perspective*

Respecting for Customers; Customer play key role in the context of business process, therefore need more courtesy once employees interacting with them and show high consideration otherwise customer will switch to other competitors. The data available in this survey shown that 92.2% (83) of respondents believe to treat customer in high respect is necessary and increase to keep customer is a part of keeping long term relationship under CRM, 7.8% (7) respondents are not sure whether it's necessary or not in respecting for customers.

Training about customer care; Customer care is more directly important in some role than others. For receptionists, sales staff and other employees in customer facing roles, customer care should be a core element of their job description and training, and a core criterion when you're recruiting. The survey finds that 73.3% (66) of respondents are aware of training about customer care. They believe that can treat their customers with high respect, which in turn create loyalty customers. There are a high number of repeat customers in the firm which is resulted by good customer care from the employees in the whole value chain of the firm. The firm mission enhances employee to build customer care, but still 25.6% (23) of respondents appear to not adequately about training about respect customer and therefore they are unclear of customer satisfaction and 1.1% (1) of respondents consider training about customer care are out of managing firm relationship with customers.

Encouraging employees to be customer oriented; The data available at this survey show that 50% of respondents are chosen as bonus system encourage employees to be customer oriented, this implies that the Zantel Company encourage moral of all employee their working context and this may be paid in cash, reward system or incentive. As well as encouraging employees to customer oriented 22% of respondents are clear that promotion is a suitable strategy to keep employees more minded by the firm, and this include advertising of product through internal and external of the Zantel telecom; however 28% of respondents are aware that all two together promotion and bonus are typical main policy of Zantel to boost employees awareness toward customer oriented.

## VI. CONCLUSIONS AND RECOMMENDATIONS

The main motive of this study, marketing communication based on customer satisfaction and loyalty has a positive effect on an organization's profitability. A company takes customer relation as a fundamental tool for delivering customer satisfaction and encouraging repeat purchase and customer loyalty. Customer services and price fairness add value toward creating satisfied customers; customer service is the most powerful stimulant of brand loyalty. Customers are not price sensitive all the times and sometimes brand loyalty takes part in brand preferences. Zantel Tanzania is a

customer driven company, always keeping focus on their customers, in order to provide better approach and to satisfy customers' wants and needs more effectively. Customer satisfaction and price fairness has strong relationship; if price fairness exists then it would add to customer satisfaction. Similarly customer services and customer satisfaction have great link, good services would make customers feel more satisfied though price fairness.

These independent variables do not only influence dependent variable but also have strong relationship with each other. If any firm wants to be successful over longer period of time then it has to make its customers satisfied through charging fair tariffs and memorable customer services so that they can reign over the market. The study also proves the potential of employee awareness in customer relationship management. The firm strategies are developed on the basis of customer relation and therefore identify and implement special customer service, it should empower the employees in term of understanding the knowledge about customer and practicing best communication between them, this can be achieved through providing employees some tools like training, motivation, empowerment and good working environment. Therefore, the best way to find out whether customers are satisfied or not is to get their opinions about your products and services, what's most important to them, and then make improvements to those areas that have the biggest impact on their satisfaction.

It could be *recommended* that, the industry should embark upon aggressive competitive intelligence to learn about the strategies of the other mobile telecom companies. This will help them come out with competitive market ideas that will help them maintain their customer and to possibly create loyal customers. A higher quality of a relationship might lead to a higher of customer loyalty, which makes Zantel profit more. An organization can estimate the economic importance that the problems experienced by customers have to the business. This helps to drive appropriate management actions, justify resources expended on remedies and measure the effectiveness of improvements. Improving customer service should be a priority to improve overall satisfaction. Therefore, organizations should always strive to ensure that their customers are very satisfied, and also should consider to improving the way of employees to interaction with consumers. Zantel also should be clear on marketing

environments factors which some time direct affect the execution of business process in term of interaction between employees and customer and other stakeholder, that the employees might be not satisfied with or not sensitive to some value adding promotional activities.

Further study will focus on marketing innovation strategies for improving customer satisfaction and loyalty in telecommunication – Tanzania

#### REFERENCES

- [1]. H. Anderson and P. Jacobson, "Creating loyalty: Its strategic importance in your customer strategy," *Customer Relationship Management*, vol. 55, 2000.
- [2]. P. Kotler, *Marketing Management*, 11th ed. China: Pearson Education Asia LTD and Tsinghua University Press, 2007.
- [3]. K. E. Lommeruda and L. Sørgaard, "Entry in telecommunication: customer loyalty, price sensitive and access prices," *Information Economics and Policy*, vol. 15, pp. 55-72, 2003.
- [4]. D. Martin-Consuegra, A. Molina, and A. Esteban, "An integrated model of price, satisfaction and loyalty: An empirical analysis in the service sector," *Journal of Product & Brand Management*, vol. 16, no. 7, pp. 459-468, 2007.
- [5]. R. L. Oliver, *Satisfaction: A Behavioural Perspective on the Consumer*, New York: McGraw Hill, 1997.
- [6]. P. G. Patterson and R. A. Spreng "Modelling the relationship between perceived value, satisfaction and repurchase intentions in a business-to-business, services content: An empirical examination," *International Journal of Service Industry Management*, vol. 8, no. 5, pp. 414-434, 1997.
- [7]. J. Perreault, E. J. McCarthy, S. Parkinsen, and K. Stewda, *Basic Marketing*, London: McGraw Hill, 2000.
- [8]. F. Reichheld, R. G. J. Markey, and C. Hopton, "The loyalty effect the relationship between loyalty and profits," *European Business Journal*, vol. 12, pp. 134-139, 2000.
- [9]. J. N. Sheth, B. Mittal, and B. I. Newman, *Customer Behaviour: Consumer Behaviour and Beyond*, London: Dryden, 1999.
- [10]. J. Westberg and H. Jason, *Fostering Learning in Small Groups: A Practical Guide*, Springer Publishing Company, 2004.
- [11]. L. Xia, K. Monroe, and J. Cox, "The price is unfair! A conceptual framework of price fairness perceptions," *Journal of Marketing*, vol. 68, no. 4, pp. 1-15, 2004.



**Richard Allen Senguo** was born in Tanzania, he is the Ph.D candidate at Wuhan University of Technology, China. He specialized in marketing management from 2013 to 2017. He have published four articles and more in progress.