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COMPETITIVE STRATEGIES ADOPTED BY AIRTEL KENYA FOR CUSTOMER RETENTION

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Abstract

Customer retention has gained increased value among both goods and service providing firms. However although extensive research exist on the concept of customer retention and its measures and instruments, studies and research on how professional service firms retain their customers remain limited. The telecoms industry in Kenya, just like the rest of the world, is going through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry. New challenges including staff restructuring, which may cause dissatisfaction as changes caused by market liberalization. The objective of the study was to establish the effectiveness of competitive strategies adopted by Airtel Kenya for customer retention. The specific objectives of the study were to establish how brand visibility and service quality influence customer retention on Airtel Kenya. The study adopted the customer bonding theory, social exchange theory and relationship commitment theory. Descriptive survey method was applied in this research in attempting to describe and explain the effectiveness of strategies adopted by Airtel Kenya for customer retention, by using unstructured questionnaires to fully describe the phenomenon. The population 13 service centres shops in Nairobi, the call centre, customer relation management and online portal. The data was analysed using descriptive statistics and presented on tables. The study also applied regression analysis to establish the relationship between the dependent and the independent variables. The study also employed multiple regressions as an analytical tool to give more insight on the effect of competitive strategies on the customer retention at Airtel Kenya. The study found that the four variables had positive and statistically significant effect on customer retention. The study concluded that brand visibility, service quality, were a major determinant of customer retention. Based on the finding the study recommend that managers and various stakeholder should emphasize on the enhancing brand visibility and service quality in their organizations as this would create a good reputation of the firm hence customer retention. The study further recommends that both the Airtel and other communication firms should ensure that they come with communication strategies that will ensure retention of customers

Keywords: *Brand Visibility, Service quality and Customer retention*

1.1 Introduction

The fundamental importance of strategies is that the business environment is dynamic. Therefore, regardless of the size and the scale, every organization needs to adopt well planned strategies to survive and compete in the market and try to optimize for tomorrow following the trend of today. Strategies have been defined as the deliberate set of actions to achieve competitive advantage, giving coherence and direction to the organization (O'Regan and Ghobadian, 2005). The world has taken cognizance of the emergence of the service industry as a prominent contributor to its economy over the last century. A number of countries in the last few decades have experienced a dramatic change in the importance of services and the role of the services sector in their economies (Sharma, 2002). The ultimate goal of service industry is the satisfaction of its customers because their satisfaction can somehow make them to come again. In today's challenging economy and competitive business world, retaining your customer base is critical to your success. Customer retention and satisfaction drive profits. It's far less expensive to cultivate your existing customer base and sell more services to them than it is to seek new, single-transaction customers.

All company revenue is achieved from two groups of customers-new and repeat customers. It is substantially more cost-effective to retain existing customers than attract new ones. Existing customers have known and identified needs that have been satisfied by the organizations products or services in the past. By focusing the organizations marketing strategy on the profitable segments of their customer base an organization will normally produce most of the required revenue and increase their market share without investing in acquiring new customers which is much more expensive than retaining old ones. Loyal customers not only repurchase, but also advocate products and services to their friends pay less attention to competitive brands and often buy product and service line extensions (Baumeister, 2002). Most surveys across industries show that keeping one existing customer is 5 to 7 times more profitable than attracting a new one. If a business creates and keeps customers in a cost-effective way, it will make a profit while continuing to survive and thrive. If, for any reason, a business fails to attract or sustain a sufficient number of customers, it will experience losses (Nankervis, 2005). In order to increase customer retention and the benefits that come along with retaining loyal customers, firms implement retention strategies or plans to get their customers to renew their loyal relationship to the firm year after year (Levin, 2007).

To develop effective retention strategies an organization has to have an in depth knowledge of customers behaviour and needs. Loyalty is a physical and emotional commitment given by customers in exchange for their needs being met (Stone *et al.*, 2002). Customer loyalty that leads to retention will develop over time if the parameters for the relationship are planned and implemented correctly. In a democratized market it is the quality and depth of the customers' relationships-physically and psychologically that ultimately differentiates between brands (Burnett, 2004). Customer retention refers to keeping a client's business rather than have the client use competitors' services or products. Repeat customers are people who buy from you again and again. Customer retention embodies repeated behaviour and reflects relationship continuation. Customer retention is an essential part of customer relationship management and organizations must take this into account (Wanjau, 2013). The longer a customer stays with an organization the more utility the customer generates to the organization. Maintaining high levels of satisfaction will not, by itself, ensure customer loyalty. Organizations lose satisfied customers who have relocated, retired, or no longer need certain services. As a consequence, retaining customers becomes a priority (Wanjau, 2013).

1.1.1 Telecommunication Sector in Kenya

The telecoms industry in Kenya, just like the rest of the world, is going through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry. Markets that were formerly distinct, discrete and vertical have merged across their old boundaries with a massive investment of capital - much of it originating from private sector participants. The result is; new markets, new players, and new challenges including staff restructuring, which may cause dissatisfaction as changes caused by market liberalization.

Market liberalization efforts have also picked up ensuring the successful partial privatization of Telkom Kenya Ltd (December 2007), divestment of Government of Kenya's 25% stake in Safaricom Ltd through a public listing (May 2008), and the launch of a fourth mobile operator Econet Wireless Kenya (November, 2008). This has resulted into some of the world's best known telecommunication providers Vodafone, Bharti Airtel International, France Telecom, and Essar Communications through their investments in Safaricom Limited, Telkom Kenya Limited and Econet Limited respectively - being major players in the Kenyan market. Ongoing infrastructural developments by operators have largely been focused on network expansion for increased nationwide coverage (Price Waterhouse Coopers, 2014).

Airtel Kenya is a subsidiary of Bharti Airtel of an Indian Multinational telecommunications Services Company headquartered in New Delhi, India. Bharti Airtel is now the third largest mobile operator in the world with over 303 million customers across 20 countries in Asia and Africa. The history of Airtel Kenya dates back to the year 2000 when it entered the Kenya market under brand name Kencell which was later rebranded in 2004 to Celtel Kenya. Celtel Kenya was later acquired by Zain group in 2005. On June 2010 the Zain was acquired by Bharti Airtel and rebranded as 'Airtel Kenya'.

Its current name was adopted after Bharti Airtel bought out the Africa mobile operations of Kuwaiti telecommunications firm Zain. The company offers mobile voice & data services, fixed line, high speed broadband, turnkey telecom solutions for enterprises and national & international long distance services to carriers with market share of 22.6%. It acquired Yu Mobile subscribers in November 2014. It is the first telecommunications operator in Kenya to host mobile virtual network operators (MVNOs) in the country

Airtel Kenya is a licensed mobile operator in Kenya having been licensed by the Communications Commission of Kenya to offer mobile telephony services in 2000. From its inception the Company prides itself of being the most innovative mobile phone operator company in Kenya. This is attested by the many products that it offers namely; Value Added Services (VAS), Airtel Money, Prepaid and Postpaid plans, One Network, 3.75G Network, Blackberry devices and services, International roaming, Local and international text messaging, 24-hour customer care center, Internet access, Directory enquires, SMS information services, Mobile Top up and Me2U services.

1.2 Problem statement

Strategies are adopted by organizations in order to achieve a more favourable position. The current high level of competition amongst businesses necessitates organizations to implement sound strategies to remain competitive. To adopt effective strategies, managers in an organization need to be aware of realities in the business environment. Strategy adoption thus begins with scanning of the external as well as internal environment of the organization (Mbati, 2015). The benefits for customer retention has been of great effect and hence worth investing into by firms. Customers over the world have been reported to comfortably stick to their current suppliers as long as they receive higher perceived value to what they are actually paying for.

Customer satisfaction has been proven to lead to desirable results such as attitude change, repeat purchase, and brand loyalty, Lower costs of attracting new customers and handling returns and complaints.

Over the last 16 years of operation in Kenya, Airtel Company has striving to penetrate the competitive market by various means. The company has been rated among the cheapest in provision of service as compared to its big rivals in the market Safaricom and Telkom Kenya. the company has enhanced it services though provision of; Value Added Services (VAS), free Airtel Money, Prepaid and Post-paid plans, One Network, 3.75G Network, Blackberry devices and services, International roaming, Local and international text messaging, 24-hour customer care centre, Internet access, Directory enquires, SMS information services, Mobile Top up and Me2U services. However statistics from the Telecommunication report (2015) and Communication authority of Kenya (CAM), clearly indicates that the company has experiences a lot of customer fluctuation s than its competitor which has lowered the profitability. Despite of the much effects and strategies underlined by Airtel to penetrate the company, they still lug behind. This has raised an alarm on the formulation of strategic plan on customer retention by the company. Many firms have expended much of their resources in customer acquisition and at times ignoring customer retention knowingly or unknowingly. The benefits for customer retention have been seen to be of great effect and hence worth investing into by firms.

Studies have reviewed the concept of customer retention in different contexts. Muturi (2004) researched on factors that determine customer loyalty to a mobile phone service provider the case of mobile phone users in Nairobi and found out that the major factor are service quality, price indifference and perceived value. Tanui, (2007) conducted a survey of customer loyalty programs applied by petrol stations in Nairobi and found that the main factors that contributed to customer loyalty to their products were attractiveness of the brand personality and perceived quality while Mungai, (2008) studied the factors that determine customer loyalty the case of the port of Mombasa and found out that Customer Satisfaction, perceived quality and brand loyalty were the main determinant. Wekunda (2006), in a study on customer relation strategies used by internet services providers in Kenya. The study generalised the strategies and did not provide specific aspects suitable for customer retention. Thought quite has been written about competitive strategies on customer retention, very little has been done on this specific strategies brand visibility, services quality, customer recognition and technology adoption (Kotler and Keller, 2006). The ultimate goal of this study is to bridge the gap between competitive strategies and customer retention by review some of the key competitive strategies adopted by Airtel Kenya for customer retention.

1.3 Objectives of the study

The general objective of the study was to establish the effectiveness of competitive strategies adopted by Airtel Kenya for customer retention.

1.3.1 Specific objectives

1. To determine the effect of brand visibility on customer retention in Airtel Kenya.
2. To access the effect of service quality on customer retention in Airtel Kenya.

1.4 Scope of the study

The study sought to investigate the effectiveness of strategies adopted by Airtel Kenya for customer retention. The research was carried out in Airtel Kenya Company. Over the years the Airtel Company has been striving to survive in the competitive Kenya market. However it has managed to gain a market share ranked the second after Safaricom Company. The study reviewed the strategies adopted by the Company for customer retention. The variable of the study were; Brand visibility and service quality.

2.0 LITERATURE REVIEW

2.1 Theoretical framework

2.1.1 Customer Bonding Theory

The customer boding theory was developed by Turnbull and Wilson (1989), which emerged from their work on industrial marketing. They argue for a strategy of protecting existing profitable customer relationships through social and structural bonding. Social bonds are positive interpersonal relationships between representatives of the buyer and seller. Structural bonds are relationships built upon joint investments, which often cannot be retrieved when the relationship ends. Buyers and sellers also form structural bonds through interdependencies founded upon their relative resources. Bonding and interdependencies has also been the subject of other studies. These conceptualise relationships between and amongst firms in terms of activity links, resource ties, and actor bonds (Håkansson and Snehota, 1994), and in terms of maintaining multi-level bonding (Turnbull et al., 1996). Turnbull and Wilson (1989) claim that structural bonding is stronger than social bonding and is essential for keeping profitable industrial customers.

Customer bonding has also been cited by Berry and Parasuraman (1991) as a strategy for retaining service customers. They argue that there are three levels of bonding: financial, social and structural. Financial bonding occurs when the customer is tied to the selling firm primarily through price incentives. Social bonding is introduced on top of the financial bond. At this second level the selling firm regards the buyer as a client and the marketing mix now goes beyond price to include personal communication. The third and highest level occurs when all financial, social and structural bonds are deployed. At this level, the customer is not only regarded as a client but also as a partner. The seller works closely with its partners to develop services that are tailored to their needs.

2.1.2 Social Exchange Theory

The theory was proposed by Homans (1958) and it posits that all human relationships are formed by the use of cost-benefit analysis and comparisons of alternatives. Homans suggested that when an individual perceives the cost of a relationship outweighs the perceived benefits, then the person will choose to leave the relationship. The theory further states that persons that give much to others try to get much from them, and persons that get much from others are under pressure to give much to them.

The social exchange relationships between two parties develop through a series of mutual exchanges that yield a pattern of reciprocal obligations to each party. Social exchange theory indicates that individuals are willing to maintain relationships because of the expectation that to do so will be rewarding. Individuals voluntarily sacrifice their self- benefits and contribute these benefits to other individuals with the expectation for more future gains. Thibaut and Kelly (1959) propose that whether an individual retains a relationship with another one depends on the comparison of current relationship, past experience and potential alternatives. The constant comparison of social and economic outcomes between a series of interactions with current partners and available alternatives determines the degree of an individual's commitment to the current relationship.

2.1.3 Relationship Commitment Model

Sharma and Patterson (2000) provide a model showing the determinants of relationship commitment. The model consists of three factors, namely communication effectiveness, technical quality and functional quality, all affected by trust in the relationship which in turns affect relationship commitment. According to Crosby, Evans, and Cowles (1990), trust implies reliance on or confidence in, the process or person. In this regard the greater the level of trust, the stronger the relationship commitment. Sharma and Patterson (2000) also defined trust as the belief that the services provider can be relied on to behave in such a way that the long- term interests of the buyer will be served.

Morgan and Hunt (1994) also argued that trust has a positive relation with the extent through which the firms share similar values. This was supported by Ganesan's (1994) studies which showed that a trust booster for firms was customers" satisfaction with past exchanges with the firms. According to Sharma and Patterson (2000), service quality is divided into two main components, namely technical quality and functional quality. Jansson and Letmark (2005) posit that the competency of the professionals in achieving the best return on investment for their client at acceptable levels of risks is viewed and technical quality is relevant to the promised service.

2.2 Conceptual framework

Independent variable **Dependent variable**

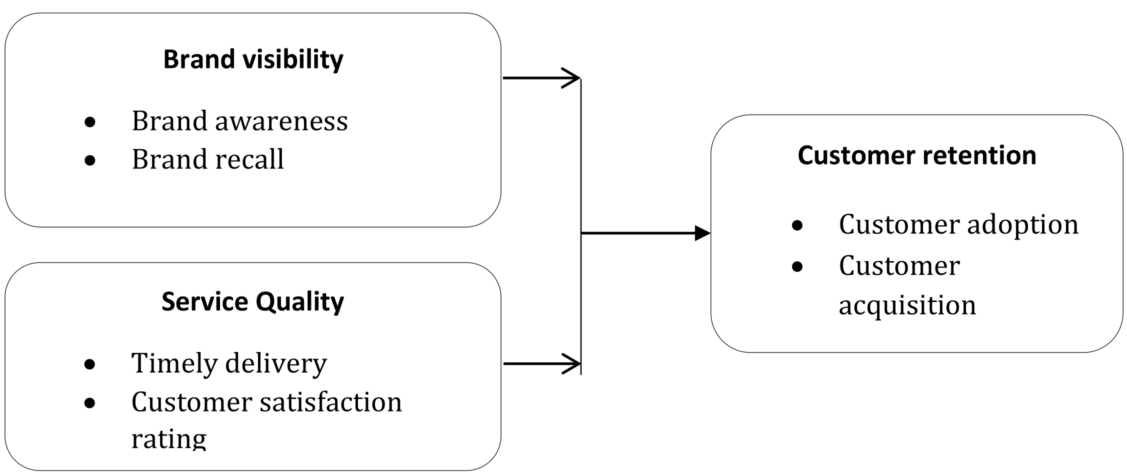

Figure 2.1 conceptual framework

2.3 Empirical review

2.3.1 Brand Visibility

A brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers (Kotler, 2003). Brands are a company's most valuable assets adding both economic and strategic value to its proprietors. Brand awareness refers to customers' ability to recall and recognize the brand under different conditions and link to the brand name, logo and jingles among others to certain associations in memory or the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product (Kotler & Keller, 2006). It is usually as a percentage of target market brand awareness is the primary goal of advertising.

Brand visibility consists of both brand recognition and brand recall. It helps the customers to understand to which product or service category the particular brand belongs and what products and services are sold under the brand name. It also ensures that customers know which of their needs are satisfied by the brand through its products (Kotler & Keller, 2006). Brand awareness is of critical importance since customers will not consider your brand if they are not aware of it (Kotler & Keller, 2006). Brands do not exist without consumers and consumers do not exist without brands (Kotler, 2003). Brands serve as a temptation that utilizes other intermediaries to lure customers from whom value is extracted. Customers serve as a profit-medium for brands to cash their brand value (Watkins, 1999).

Greater brand visibility will lead to recognition by customers who if attracted to the brand can then lead to brand loyalty. High loyalty levels lead to less marketing expenditure because the brand loyal customers promote the brand positively (Reichheld, 1996). Brand loyalty acts as a means of launching and introducing more products that are targeted at the same customers at less expenditure. It also restrains new competitors in the market. Brand visibility can be developed through various measures such as quick and efficient service, just in time, quality products, continuous improvement, wide distribution network, good corporate practice, sponsorships, corporate social responsibility etc. These measures will attract customers in different ways and their levels of loyalty will be different as well. When consumers are brand loyal they will minutely consider any other alternative brand as a replacement. As brand loyalty increases, customers will respond less to competitive moves and actions. Brand loyal customers remain committed to the brand, are willing to pay higher price for that brand, and will promote their brand most of the time (Lindstrom, 2005).

2.3.2 Service quality

According to Claycomb and Martin (2001), "service quality refers to the consistency with which customers" expectations are met and the general superiority of the service relative to that of the competition". This is amply demonstrated by practices such as delivery on time, giving customers‟ variety to choose from, pay attention to customer's complaints and demands and having competent and knowledgeable staff. Improved service quality translates into favourable behavioural intentions which transforms into customer retention which in turn leads to referrals, willingness to pay premium prices, increased spending (Zeithaml, et al., 1996).

In order to survive in today's business environment, most recent research suggests placing an emphasis on service quality. Service quality is defined as the foundation of a comparison between customers' expectations and the perceived performance of service providers. Customers' expectations are defined as what customers want or desire based on their antecedent experiences with the firm. Customer expectations compared with actual service performance results in the assessment of quality that customers obtain from particular service providers (Mendzela, 2009).

In their research, Parasuraman et al., (1991) described the inconsistency between customers' expectations and their perceived service performance in specific services. This called Gap 5. The dimensions of service quality focus on tangibles, reliability, responsiveness, assurance, and empathy. Outstanding service quality can lead to favourable behavioural intentions, which may result in improved customer retention (Ogong'o, 2014).

2.4 Customer retention

Customer retention is a strategy whose objective is to retain a company's customers and to retain the revenue contribution. Primarily, it aims at preventing customers from defecting to alternative brands or going to competition. According to Magson (2008) satisfied customers remain loyal and talk favourably to others about the company and its products. Customer retention and loyalty will depend on the levels of satisfaction that the customers receive when either they buy or use the products or services. This will highly depend on the quality and the customer care services offered by the company.

Customer retention is an effort carried out by companies to ensure that its customers do not switch over to competitors products and services. It is of paramount importance to retain highly profitable ones (Mwangi, 2015). A loyal customer base that persists for a long time is one of the best advertisements for a business, creating an image of high quality. This helps in attracting other customers who value long term relationship and high quality products and services.

Fill (2005) describes customer retention as a phase where deep relationships have been established and parts meet individual and joint goals. Jones *et al*., 2007) highlight that retention can also be caused by the situation when customers are locked in the relationship with the service provider because of the switching barriers (for instance lack of alternatives, price benefits). Thus, customers in such situations come back not because of the deep relationships with the service provider as Fill (2005) states. There are a number of customer retention strategies that firms can use. These include price, products, customer care, special offers and discounts, additional services, customer satisfaction and the use of other clients (Colgate *et al*., 2007).

3.0 RESEARCH METHODOLOGY

The study applied descriptive research design with survey method in attempting to describe and explain the effectiveness of strategies adopted by Airtel Kenya for customer retention, by using unstructured questionnaires to fully describe the phenomenon. The survey use qualitative quantitative (use forced-choice questions) measures in order to answer the research questions and thus arrive at the objectives of the study. The population of the study included all customer section in the Airtel Company in Nairobi County. There were 13 service centres shops in Nairobi, the call centre, customer relation management and online portal. The study focused on the staff who interact with customers directly and get their complaints and comments. Random sampling method was applied to determine the sample size of more than 10%. This technique is generally used in quantitative studies and random selection of sample enables one to confidently generalize results from all size of sample. The study sampled 13 respondents form all the 13 service centres shops in Nairobi, in the call centre 13 responded while 13 characters was selected randomly at the CRM and 13 from online portal.

Table 3.1. Population sample

Target population	Total Population	Percentage
Service center shops	13	25%
Customer relation management	13	25%
Call centre	13	25%
Online portal	13	25%
TOTAL	**52**	**100%**

In this study, emphasis is given to both primary data and secondary sources. The primary data was collected using unstructured questionnaire. The semi- structured interviews and use of questionnaire which will be administered to the respondents personally to shorten the response time and enable on the spot clarification of any doubt that the respondents might have regarding any questions. Data was analysed using descriptive statistics, and presented in tables, percentages, mean and frequencies to display a visual presentation of the data, for ease of understanding and analysis. The analysis was done with the application of the statistical package for social sciences (SPSS) software, IMB 2015 version.

The study also used a linear regression analysis to establish the relationship between the dependent and the independent variables.

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Response Rate

Table 4.1 Response rate

	Number	Percentage
Responded	45	86.5
Did Not respond	7	13.5
Total	52	100

Table 4.1 indicates that out of the 52 questionnaires administered, 45 were returned from the field. The overall response rate was thus found to be 86.5 % which was very high. The 13.5 % of the respondents did not respond. The interpretation was that the high response rate was essential to obtain sufficient observations for further analysis.

4.2 Descriptive statistic for objectives

4.2.1 Brand Visibility and customer retention

Table 4.2 Brand Visibility

opinion statement	Mean	Std. Deviation
The company products are well known to the public	4.16	0.928
The company brand is well branded to the new markets	4.31	0.973
Brand awareness is done through various product promotion strategies.	4.36	0.981
The company has well stipulated branding strategies	4.20	1.057

The study sought to examine the respondent's level of agreement or disagreement on the various measures of Brand Visibility (on a scale of 1 to five), where (1-strongly disagree and 5 – strongly agree). Table 4.2, presents the relevant results which show that the mean values of response and the associated standard deviations; The company products are well known to the public 4.16, The company brand is well branded to the new markets 4.31, Brand awareness is done through various product promotion strategies 4.36 and The company has well stipulated branding strategies 4.20.

4.2.2 Service quality and customer retention

Table 4.3 Service quality

opinion statement	Mean	Std. Deviation
Products are delivered on time to customers	4.42	1.270
Customers response rate is highly rated	4.33	1.251
The company product prices are best in the market	4.27	1.372
The company services are rated best in the market	4.36	1.228
Our network coverage is always available and reliable	4.23	1.261

The study sought to examine the respondent's level of agreement or disagreement on the various measures of Service quality (on a scale of 1 to five), where (1-strongly disagree and 5 – strongly agree). Table 4.3, presents the relevant results which show that the mean values of response and the associated standard deviations; Products are delivered on time to customers 4.42, Customers response rate is highly rated 4.33, The company product prices are best in the market 4.27, The company services are rated best in the market 4.36 and Our network coverage is always available and reliable 4.23.

4.2.3 Customer Retention

Table 4.4 Customer Retention

opinion statement	Mean	Std. Deviation
The company has new products to offer in the market	4.13	.986
The company accessories are highly competitive in the market	4.00	.929
The company is in the front line to offer advanced products to its customers	4.11	.910
The company provides direct link to its customers	4.17	.915

The study sought to examine the respondent's level of agreement or disagreement on the various measures of management support (on a scale of 1 to five), where (1-strongly disagree and 5 –strongly agree). Table 4.4, presents the relevant results which show that the mean values of response and the associated standard deviations; The company has new products to offer in the market 4.13, The company accessories are highly competitive in the market 4.00, The company is in the front line to offer advanced products to its customers 4.11 and The company provides direct link to its customers 4.17.

4.3 Correlation analysis

Table 4.5 Correlation analysis

		Customer Retention	Brand visibility	Service quality
Customer retention	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	45		
Brand visibility	Pearson Correlation	0.743	1	
	Sig. (2-tailed)	0.000		
	N	45	45	
Service quality	Pearson Correlation	0.654	0.512**	1
	Sig. (2-tailed)	0.000	0.000	
	N	45	45	45

From table 4.5 it can be observed that the correlation between the independent variables and the dependent variable was high Brand visibility, Service quality, 0.743, 0.654, respectively. The correlation between independent variables was very low indicating low multi-collinearity. The interpretation was that Brand visibility and service quality were key indicator on customer retention strategy.

4.4 Regression analysis

Table 4.6 Regression Results

Variables	Coefficients	Std. Error	t-statistics	p-value
(Constant)	1.260	0.112	11.25	0.000
Brand Visibility	0.338	0.098	3.449	0.000
Service Quality	0.267	0.123	2.162	0.037
F=> statistic 30.086	P => 0.000		Adjusted R Square	72.6

4.4.1 Brand visibility

From table 4.6, the regression coefficient was found to be 0.338. This value shows that holding other variables in the model constant, an increase in Brand visibility by one unit causes the customer retention to increase by 0.338 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship between Brand visibility and customer retention.

The coefficient statistically significant with and the t-statistic value of 3.449. The p-value was found to be 0.000. The variable was also found to be the most influential variable on the customer retention. These finding support those of (Kotler & Keller ,2006) who found that Brand visibility had effect on customer retention. Kotler & Keller (2006), Brands are a company's most valuable assets adding both economic and strategic value to its proprietors. Brand awareness refers to customers' ability to recall and recognize the brand under different conditions and link to the brand name, logo and jingles among others to certain associations in memory or the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product. The interpretation was that brand visibility causes the customer retention to increase and that it effect should be of concern to the stakeholders.

4.4.2 Service Quality

From table 4.6, the regression coefficient was found to be 0.267. This value shows that holding other variables in the model constant, an increase in resource allocation Service Quality by one unit causes the strategic management practice to increase by 0.267 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship between resource allocation Service Quality and customer retention.

The coefficient statistically significant with a t-statistic value of 2.162. The p-value was found to be 0.037. The variable was also found to be the third most influential variable on the customer retention. These findings supports those of Zeithaml, *et al.,* (1996) and Mendzela, (2009), who found that resource allocation had effect on customer retention. Zeithaml, *et al.,* (1996) argue that improved service quality translates into favorable behavioral intentions which transforms into customer retention which in turn leads to referrals, willingness to pay premium prices, increased spending

Mendzela, (2009), note that in order to survive in today's business environment, most recent research suggests placing an emphasis on service quality. Service quality is defined as the foundation of a comparison between customers' expectations and the perceived performance of service providers. Customers' expectations are defined as what customers want or desire based on their antecedent experiences with the firm. Customer expectations compared with actual service performance results in the assessment of quality that customers obtain from particular service providers. The interpretation was that Service Quality causes the customer retention to increase and that it effect should be of concern to the stakeholders.

5.0 SUMMARY, CONCLUSION AND RECOMMEDATION

5.1 Summary of findings

This study was set to investigate the strategies affecting customer retention by Airtel Kenya. The study used questionnaire as the data collection instruments. The research employed use of tables and graph to present the descriptive results and multiple regression analysis. From a total of 52 questionnaires that were administered only 45 of them was recovered from the respondents. The response rate presented 86% response.

The results noted that 64 % of the respondents were female and 36% were males. The interpretation was that more females work for the Airtel Kenya. On the level of education more respondents were holders of a diploma than any other qualification. It was further noted that majority of the respondents had worked for a period of between 1 to 3 years with a percentage level of 51.1%. The study also employed multiple regressions as an analytical tool to give more insight on the effect of competitive strategies on the customer retention at Airtel Kenya. The study found that the four variables had positive and statistically significant effect on customer retention.

5.2 Conclusion

The Brand Visibility was measured using three constructs; the company products are well known to the public, the company brand is well branded to the new markets, Brand awareness is done through various product promotion strategies and the company has well stipulated branding strategies. All these measures were directed to measure the ability of Airtel Kenya to retain customers. The results presented showed that indeed these measures were taken to be important measures of customer retention. The coefficient from the regression analysis also supported the results with a positive sign indicating that there is a positive relationship between brand visibility and customer retention by the Airtel Centers in Kenya.

The service quality was measured using three constructs; products are delivered on time to customers, customers response rate is highly rated, the company product prices are best in the market, the company services are rated best in the market and our network coverage is always available and reliable. All these measures were directed to measure the ability of Airtel Kenya to retain customers. The results presented showed that indeed these measures were taken to be important measures of service quality. The coefficient from the regression analysis also supported the results with a positive sign indicating that there is a positive relationship between service quality and customer retention by the Airtel Centers in Kenya.

5.3 Recommendation

The study recommends that there should be development of competitive strategies around the activities of Airtel centers products to ensure that they deliver quality services to their customers. The ultimate goal of service industry is the satisfaction of its customers because their satisfaction can somehow make them to come again. In today's challenging economy and competitive business world, retaining your customer base is critical to your success. Customer retention and satisfaction drive profits. It's far less expensive to cultivate your existing customer base and sell more services to them than it is to seek new, single-transaction customers.

The study thus recommends that both the Airtel and other communication firms should ensure that they come with communication strategies that will ensure retention of customers. The study also recommends the involvement of the communities that are targeted by the products of Airtel Kenya.

The study recommends Future research should be directed towards identifying more variables that affect customer retention among the telecommunication firms. From the regression model it was noted that the variables included were only able to explain 72.6 % of the variation in customer retention. This study therefore recommends the improvement of this model by including more variables that may have explanatory power some such as customer relation management, marketing strategies, customer satisfaction and after sales services.

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