



Product Quality and Customer Loyalty in Telecommunications Industry in Nigeria: A Theoretical Review

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Abstract

The study reviewed the telecommunications industry, product caliber and client loyalty. Product quality has great effect on the growth of clients' fidelity in communications sector. Objective of this study was to review literature related to In Nigeria's telecommunications business, product quality and client loyalty are important factors. The eight criteria for product quality are: functionality, features, conformity, dependability, durability, usability, aesthetics, and consumer perception of quality that are widely used to evaluate customers' loyalty showed positive results in empirical researches. The reviewed papers' findings for this study variously found significant correlation involving products superiority as well as customers' reliability in many organizations studied: telecommunications sector; banking industry; healthcare sector; tourism and hospitality industry and others. It has been concluded that management of the telecommunications companies especially, the mobile phone will find this study useful in their decision regarding customers' loyalty if the results of this research are used. It is suggested that service providers should attend to customers' request promptly and network failures reports must be made available to customers as quickly as possible to avoid frustrations on customers.

Keywords: Customer loyalty; Product quality; Telecommunications and Economy

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I. Introduction

Manufactured goods are acknowledged as excellent products on the basis of the satisfaction that customers or consumers derive from such products. Consequently, consumers' needs are well considered and decisions are taken on the basis of their desires. Manufactured goods are considered to be of high quality if they meet or go beyond customer expectations (Juwita, Sukaria, & Khaira, 2019).

Product quality is concerned with improving the features and performance of a company's existing product or introducing a new product to the market, which has become an inevitable task for the telecommunications sector in Nigeria. For instance, if a customer thinks that the product requirement meets their needs and wants, there is a possibility for the customer to think that the transaction is worthwhile. Rahman (2012) posited that consumer faithfulness aids in the generation of profits as well as assists in attaining additional gains, such as faithful clients becoming the advocates of the producers of the goods or services. Thus, it aids in generating innovative ideas as well as further increasing the market variety of the supplier. Clients that are fulfilled show a lower preference for switching to other products (Rahman, 2012). Mu'azu (2013) reported

that consumer faithfulness plays a vital role in the growth of diverse business enterprises. According to his theory, client loyalty is what leads to a company's success and growth in a chain of good service relationships.

Service sectors, particularly telecommunications, are a fundamental part of human life and form an important part of human society in their interaction with others (Omale, 2016). It has been recognized to be one of the well-known variables for the efficient growth of the economy. The mobile phone industry is the fastest growing sector in the Nigerian economy. It has greatly improved the quality of contact and, in particular, the number of subscribers. In a competitive setting related to the mobile phone sector in Nigeria (that is, MTN, Glo, Etisalat, and Airtel), quality of products as well as customer loyalty are of paramount importance.

Notwithstanding, the attempts by telecommunications operators to gain patronage of the customers in Nigeria, the sector is faced with challenges such as: low customer satisfaction, complicated tariffs, deceptive promotions, inefficient service delivery, unwanted text messages (SMS), dropped calls, and unfair, arbitrary billings among others (Adamu, 2017). However, successes in dealing with the myriad issues that different people face could result in a successful organizational structure (Omale et al., 2022).

The rationale of the study is to review literature on the correlation involving product superiority as well as consumer loyalty in the telecommunications sector in Nigeria. Scholars such as Hidayat (2009) used four dimensions of product quality to evaluate the connection linking product quality and customer loyalty in telecommunications sector. These are (1) features; (2) conformance; (3) performance and (4) image. Thus, this study proposed eight product quality dimensions adopted from the study of Juwita et al. (2019). Specifically, functionality, features, conformity, dependability, longevity, usability, aesthetics, and customer perception of quality. The eight facets of product excellence adopted from the study of Juwita et al. (2019), used for this study were suggested by (Umie & Tantri, 2017). The justification for the use of many product quality dimensions is predicated on the fact that if more product quality dimensions are used to assess consumer faithfulness in the telecommunications industries in Nigeria it could be a better tool to apply resulting into superior outcome than the other few product quality dimensions (Akbaba, 2006).

This paper is classified into four sections. Section one is related to introduction. Section two is concerned with the literature review. The third section is focused on theoretical framework while the fourth section is on conclusions and the recommendations.

II. Review of Literature

The focus of this segment is on the review of customer loyalty and product quality in the context of the paper.

2.1 Customers' loyalty

Haskett (1994) suggested that customer loyalty implies the customer continues to use the products and refers those products or services to others. Scholars have opined that consumer dependability is an emotion of a relationship that consumers hold towards a product brand. This mood stimulates customers to get a product or service repetitively. Consequently, this generates considerable and improved fiscal customers for the organization. It has been generally recognized by scholars that product worth, consumer contentment, and loyalty are the major significant sources of gaining competitive advantage for manufacturing and service organizations (Mu'azu et al. 2013). Previous research has posited that growing consumer dependability leads to amplified organization sales as well as interactions, which can ultimately be followed by productivity (Hussein & Gholam, 2013).

Usually, all telecommunications firms' objectives are to earn returns on investment, increasing their sales by offering additional diversified goods over time as well as capturing a large chunk of market share. Buyer faithfulness can positively contribute to the direction of this fundamental objective of the telecommunications Hayes (2008) on the basis of an efficient instrument for generating repeated sales from the clients. These faithful clients can provide an effective promotion tool once they refer their service providers to potential customers. Thus, these existing consumers contribute in the direction of raising their respective operators' consumer standing as well as market share. The economic standing of the operator principally depends largely on this cultural occurrence (Omale, 2016).

Product superiority attributes are regarded as the cues which might probably be adopted by customers to deduce the predictable and/or knowledgeable manufactured goods' worth; knowledgeable excellence refers to the outcome of bodily assessments of the manufactured goods while experiencing and utilizing the manufactured goods. While anticipated quality means the spot of acquisition, before experiencing or consuming the product. Kotler in Evawati (2012) argues that the superiority of goods is the entirety of features as well as the uniqueness of a manufactured good or service that bear on its capacity to please affirmed or indirect desires.

2.2 The relationship between product quality and customer loyalty

Customer faithfulness to particular manufactured goods offered by a firm is a reflection of customers' behaviour to see the superiority of the product. Therefore, customers make ongoing purchases. Thus, the organization is expected to monitor the clients' faithfulness to meet the desires of customers in order to attain the organization's objectives. The customer is an asset that is not partial to manufactured goods or service businesses. A high-quality product will make customers like the products offered by the organization.

The criterion for assessing a product's quality seems to be a relative term. As a result, all and sundry will have diverse ratings. Kotler (2002) posited that customers like goods that present quality, performance, and excellent characteristics. The quality of manufactured goods is a comprehensive feature of the product that influences its ability to satisfy implicit desires (Kotler, 2002). Superior product quality creates and maintains contentment as well as makes faithful customers stay with the company.

2.3 The Role of Telecommunications in the Growth of Businesses in Nigeria.

Telecommunications play some significant roles in the growth of different businesses in global economies. Jipguep (1993) postulated that telecommunications carry out the following roles for the growth of business ventures: It provides a platform for economic growth. The structure of information flow has become imperative for global trade where suppliers as well as consumers are geologically disconnected. It is apparent that the flows of global cell phone traffic reflect approximately the patterns of worldwide trade. Certainly, the connection is so close that variations in cellular phone traffic can be used as a leading indicator of state financial recital.

Telecommunications play an essential role in promoting African regional integration, compared to substitutes, such as transport and television. Telecommunications investment promotes balanced economic advancement without excavating regional problems in urban areas and without the implication of economic reliance on a rich trading pattern. In addition to the fact that mobile communications among folks does not give confidence over-centralization, and since the basis of confidential expression is on the basis of mobile communications among folks, it does not enforce a received set of intellectual standards, and its assets could guarantee expansion.

In nutshell, for a nation to achieve development, many aspects of the economy have to be changed positively. A good example of this expectation is the quality of services offered by the telecommunications sector (Bello-Imam &Obadan, 2004). The arrival of telecommunications in the Nigerian economy in 2001 brought a great deal of transformation to the industry. It helps to make lines accessible to Nigerian citizens. It has also enhanced the revenue base of the government and generated employment opportunities for the teeming population. Also, there is a wonderful increase in the number of lines, from 656,461 in 2001 to 81,195,684 in 2010 (Onwuegbuchi, 2010). Telecommunication service provides a policy for monetary development by bringing customers and producers together as one, an important role in driving the market. It also enhances the flow of information that is crucial in creating a market that works, acts as a feedback cycle among the suppliers as well as their clients, and fundamentally, promotes trade in services upon which contemporary economies are built (Osotimehin&Abass, 2015). Lastly, it empowers companies to reach more consumers with little capital as well as manpower.

2.4 Empirical review

Kwabena and Richard (2018) evaluated the determinants of faithfulness of consumers among mobile phone telecommunications subscribers in Ghana. The study used primary data as a source for the questionnaire to draw a sample of 200 respondents for the research. For the testing of data, SPSS version 16 was adopted for data. The findings revealed a significant relationship between consumer loyalty and the six telecommunications providers: Vodafone, Airtel, MTN, Tigo, Glo, and Express. The pitfall of the study is that the method employed to draw the sample size is not systematic and will affect the findings and the recommendations.

Mlenga and Alick (2018) evaluated the correlation between customer contentment as well as faithfulness among telecommunications subscribers in Zambia. The study used a sample of 221 subscribers while the Partial Least Squares (PLS) method was applied for the analysis of the data for the study. The results indicated that service quality, consumer service, company image, as well as network coverage were absolutely connected to customer contentment. However, the network showed a negative correlation between cost level as well as consumer loyalty. The study has failed to test the reliability of the instruments; therefore, it will affect the results of the study.

Pramtminingsih, Lipuringtyas, and Riminta(2013) studied factors influencing customer loyalty towards online shopping. The study employed primary data through a questionnaire to draw a sample size of 300 respondents. It used multiple regression and quantitative analysis to test the hypotheses. The results revealed that contentment, belief, as well as dedication have a considerable impact on students' faithfulness toward online shopping. A close look at the methodology revealed a number of inadequacies. Firstly, the research failed

to utilize the correct method of variables to institute the connection. Secondly, the reality that the sampling process was not methodical gave rise to a random assortment of sample sizes that is insufficient to offer a thorough study of online shopping. Ultimately, its main suggestion has no connection with any results, as the study was concerned with consumer attitudes toward customer loyalty and not factors that have an effect on online shopping in general.

Sabir, Irfan, Sarwar, Akhtar, and Sarwar(2013) examined the effects of service quality, client contentment, as well as faithfulness programs on customer loyalty: evidence from the telecommunications sector. A sample of 150 consumers of the firm's product was adopted as respondents to examine their views concerning the efficiency of service quality as an advertising instrument in the company. A prearranged opinion poll was adopted to collect information for the study. Then, descriptive statistics and correlation were adopted to find the mean and association between the variables for the research. The response was analyzed through the application of multiple regressions to measure the variations between the independent and dependent variables. The results showed that there was an affirmative connection between service quality and consumer faithfulness. The weakness of the study is that the simple existence of a relationship between the variables of the research is not in any way indicative of the way of influence because the relationship does not make known which variable influences the other.

Ojo (2014) studied the correlation linking service quality as well as consumer contentment with a mobile service provider (MTN), Nigeria. The paper discovered that service quality has a significant and positive impact on client fulfillment. The study has failed to reveal the systematic procedure adopted to arrive at the selection of the respondents for the study. This will likely influence the findings as well as the recommendations of this study. According to the study conducted by Motaher and Nusrat (2013) on the effects of consumer contentment on consumer faithfulness in the framework of Bangladesh, which focused on six factors like communication, cost arrangement, value-added service, expediency, sales-promotions, and customer service, Primary as well as secondary information were employed to experiment and utilized for data analysis. Five elements are shown in the result: price structure, value-added services, convenience, and customer service/care have an affirmative relationship with consumer faithfulness. The issue with the study is that the descriptive analytical method adopted for the study is not sufficient to give rise to good findings. This may likely affect the recommendation of the study.

III. Materials and Procedure

The technique of data collection used in this research is basically content analysis, as the researchers depend mostly on secondary sources of data, sourced from diverse published texts such as journals, textbooks, government published documents, among other relevant documents earlier published. These sourced materials were subjected to descriptive analysis and conclusions were drawn from the findings.

IV. The Theory of Customer Loyalty

The model posits that what drives faithfulness in customers can be a useful instrument for gaining as well as preserving the gains you've made. Organizations that witness repeat customers recognize on an instinctive level that consumer faithfulness is a very useful product. Client faithfulness promotion is a main section of promotion theory and is measured as one of the most important offers a marketer can make to a potential client. Consumer faithfulness advertising programs can come in numerous forms, with universal examples of faithfulness programs being airline frequent flier miles as well as shoppers' reward cards.

Based on the above explanation, the variables of product quality could be linked to the theory of customer loyalty. Thus, the variables of manufactured goods superiority used for this paper are: performance, features, conformity, durability, use, aesthetics, and perceived quality by the consumer (Juwita *et al.* 2019). These are designed to improve product quality, vis-à-vis customer loyalty. The telecommunications service providers as well as their workforce should try to recognize the clients' predicament as well as attempt to perform activities with the view to creating customer loyalty. Also, the service operators should attempt to meet the yearnings as well as the aspirations of the customers via the provisions of product quality. To accomplish this, the theory of customer loyalty becomes imperative. Thus, each of the product quality dimensions should be given utmost attention from the point of view of the customer rather than from the point of view of the organizations. Below is the product quality model guiding this research.

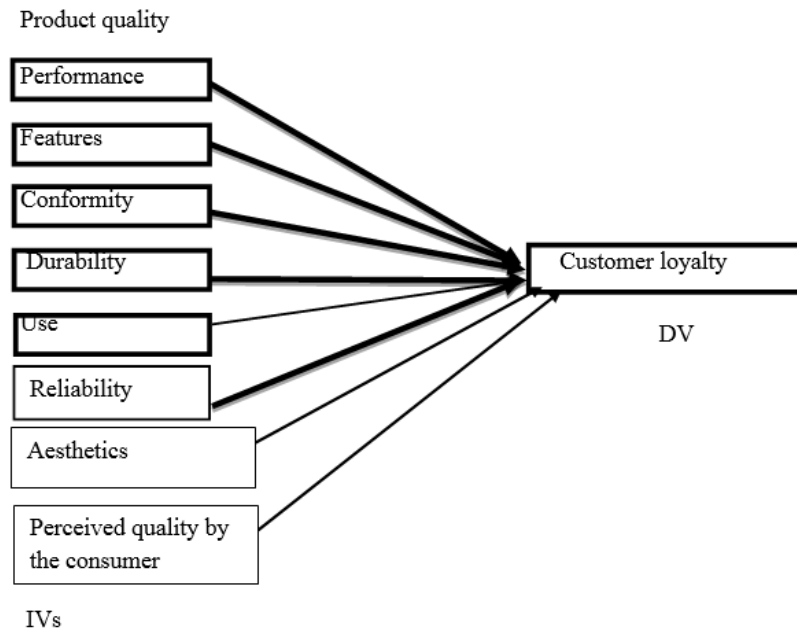


Figure 1: Proposed research model

4.1 Conclusion and suggestions

The objective of this study is to review literature related to product quality and customer loyalty in the telecommunications industry in Nigeria. It revealed relative effects of the variables for this study, which could aid organizations in achieving a competitive edge over other competitors, and this would lead to customer loyalty. Service providers will find this study useful in their decisions towards product quality and customer loyalty. When judiciously applied, it will lead to customer loyalty and the maximization of profits, growth, and others.

Based on the review and conclusion reached, these recommendations are made.

1. In order for quality products to be guaranteed in the telecommunications sector in Nigeria, in order to build customers' loyalty, it is recommended that service providers should attend to customers' requests promptly and network failure reports must be made available to customers fast.
2. To retain and maximize their customer loyalty, telecommunications firms have to adopt a product quality strategy in their business in order to remain competitive and relevant in the market place.

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