

**IMPACT OF CORPORATE IMAGE ON CUSTOMER CHOICE OF TELECOM  
SERVICE PROVIDER IN GHANA**

**(A CASE OF VODAFONE GHANA LIMITED)**

KNUST

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(International Business)



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## DECLARATION

I, Andrew Mensah, hereby declare that this submission is my own work towards the Master of Business Administration (MBA) and that, to the best of my knowledge, it contains no materials previously published by another person nor materials which have been accepted for the award of the university, except where due acknowledgement has been made in the text.

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## DEDICATION

I dedicate this academic piece to my charming family Anima, Selorm and Sena and to all who have contributed in diverse ways towards the attainment of this feat.

# KNUST



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I am ever grateful to my Lord for the gift of life and wisdom. I express my indebtedness to Mr. Samuel Yaw Akomea for his meticulous supervision of this thesis which led to its successful completion. I am very grateful to my family. I am full of gratitude to the management and staff of Vodafone Telecom Limited, Koforidua for their valuable information without which this work would have been a phantasm.



## ABSTRACT

Swift explosion in the telecommunication industry over the past decade has forced players in the multimillion sector to acknowledge the importance of service upgrading, dependability and affordability of services to subscribers. As a result, there has been an accompanying rapid development and fierce competition in the market, with a range of new telecommunications service providers emerging with varied product and services and advertising messages targeted at retaining their existing customer base as well as targeting new and potential customers. The study scans whether corporate image is a critical factor causing customers to remain loyal to the company. Both primary and secondary sets of data from customers, staff and management of the company were analyzed through questionnaires and in-depth interviews. A detailed analysis of the data revealed that though corporate image is of great importance among the factors that determine the choice of a telecom service provider, satisfaction, product and service quality and affordability should be emphasized to ensure corporate loyalty and sustainability of business. Management should critically identify, develop and pursue integrated marketing and service-oriented strategies that focus on factors that influence service quality, loyalty, value, and the skills and professionalism of employees. It is also to explore programmes that will deepen the interaction and relationship between the company and its customers so as to improve the customer loyalty and corporate image.

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## ABBREVIATIONS

CDMA	Code Division Multiple Access
GSM	Global System for Mobile Communication
HoE	Hierarchy of Effect
MTN	Mobile Telecommunication Network
NCA	National Communications Authority
SPSS	Statistical Package for Social Sciences
ISO	International Organization for standardization
WOM	Word of Mouth



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

In the last two decades, the Governments of Ghana have restructured the telecom sector with the sole aim of elevating competition and improving reliability and affordability of service to the public (NCA, 2004), resulting in quick development and aggressive competition in the market. This has prompted the telecommunications sector to produce an array of products, services and advertising messages targeted at retaining their existing customer base as well as attracting new and potential customers (NCA, 2004).

Some telecom operators who have launched their own switching benefits to entice consumers of their competitors, have certainly made some of the telecom operators perceive there is the threat of losing some of their consumers or customers to persuasive offers from other operators. Due to this, the sole aim of enhancing corporate image so as to ensure corporate success is a priority undertaken by telecom operators. (Nguyen & Leblanc, 2001; Zeithaml, Berry, & Parasuraman, 1996).

Usually, the reason or the need for corporate image is to appeal to customers, which can aid their companies to arouse customers' interest, increase brand equity, and lead to higher sales turnover. According to Nguyen and Leblanc (2001) there are notable sectors of the service industry which depend on the image they create for themselves in order to win over new customers and also maintain existing ones. Some of these companies are in the financial industry, hospitality industry, consulting firms, medical providers and educational institutions.

The introduction of cellular phones in the country in the early 1980's was a revolution in the face of communication, enabling businessmen and women to keep talking with their clients and offices 24 hours a day, without neglecting families and friends whether at home or abroad. It has also seen such a global revival and innovation that, it is now possible to use a cellular phone to send and receive text, fax messages, e-mails, radio, T.V., download data from the internet.(Van der Wal et al, 2002).

With so many changes occurring in the country's telecom industry, including an expansion and greater competition and increasing customer sensitivity, it is only companies with a high level of quality service and favourable reputations among their competitors as rated by the stakeholders that are likely to be in existence for long.

(Nguyen and Leblanc, 2001).

According to the National Communications Authority's first quarter report for 2008, the year ended with 11, 568,850 mobile telephony access lines, accounting for over 52.1% growth above preceding periods; leading to market penetration rate of 51.8%, with mobile telephony remaining as the main means of communication and represents about 98.8% of total access lines (NCA, 2010).

From prior periods, it has been noted that MTN maintains their lead in the market by gaining some 55.56% of the market share, representing a 2.75% improvement. Tigo came in the second rank though they had decreased by 1.6% to some 24.96%. Third in rank is One Touch with 13.76% share of the telecommunication market, where they had also decreased by 3.02%. In the fourth position is Airtel (formerly Zain). They are new entrants which had only began to operate in the last quarter of the year but they have been about to

gain 2.31% market share. Finally, Expresso (Formerly Kasapa) which is the sole CDMA network nationwide came with a market share decrease of 0.39% to account for about 3.41% of the total market share (NCA, 2010).

The annual report for the month of March received from the National Communications Authority (2010), revealed the following. MTN recorded 54% of the telecom market share with over 6.8 million subscribers. TiGo with 2.9 million subscribers was second with about 23% of the total market share, Vodafone followed with 13%, representing about 1.65 million subscribers. Airtel (Formerly Zain) also held about 7% of the subscriber base, representing about 890,000 subscribers. Expresso (Formerly Kasapa) only recorded 3%, representing almost 400,000 subscribers.

Information gathered from the National Communications Authority's first quarter annual reports for 2010 indicated that telecom industry recorded an increment of 8.14% for the first quarter. "Total access lines as at the end of the quarter was 16,628,585. This represents a penetration rate of 72.1%. Mobile telephony accounted for 98.2% of the total access lines of about 16,333,371. Overall, Mobile telephony access lines increased by 8.1% during the quarter with Vodafone recording the highest increase of 31.93%, MTN 5.34%, TiGo 3.4%, and Airtel" (Formerly Zain) 2.8%. Expresso (Formerly Kasapa) recorded a reduction of 3.2% in its access lines (NCA, 2010)

On the issue of their market share structure, "MTN increased its market share over the quarter to 51.60% with 8,428,378 access lines in March 2010. TiGo had a stable market share of 21.26% over the first quarter with 3,535,091 access lines in March. Vodafone

Mobile continues to decline in market share ending the first quarter with 2,812,903 access lines in March representing 17.22% of cellular mobile market share. Espresso and Airtel had their respective market shares decline to 1.40% and 8.14% at the end of the first quarter 2010” (NCA, 2010).

In an assessment survey report (NCA, 2010) conducted by the National Communications Authority (NCA) on the quality of Cellular mobile voice services provided by the operators as against compliance requirements as per the Cellular Mobile licence, Espresso Telecom Limited fared quite well in all the benchmarking (Call Setup Time, Call Completion Rate, Call Congestion Rate and Call Drop Rate) as against the technical parameters that relay the quality perception from the mobile phone user’s standpoint. The trend of the reports over the years (2008, 2009, and 2010) however shows a continuous decline in the subscriber base of the company. Literature proves that, within any industry, those organizations with a positive philosophy and image for fair complaint management have a competitive edge. This is because effective “complaints” management yields greater customer loyalty and profitability which in turn leads to increased customer satisfaction. (Kotler 1997, Berry 1983).

## **1.2 Statement of the Problem**

Fombrum (1996) perceives that the manner, activities, products and services of a company acknowledged by outsiders is described as its corporate image. It is essential and believed that corporate image is a resource owned by the company (an asset) that creates competitive edge for the business. This is because the reliability, credibility, trust and employee

responsiveness is then considered to be positive and hence the firm can execute its responsibilities to stakeholders well.

Organizations that operate in volatile competitive environment are concerned not only about their performance but also about the creating and communicating of a positive corporate image to their consumers, and other stakeholders such as banks, the public, and shareholders. A business which abuses its image is likely to encounter numerous problems. When a problem relating to image is left unattended, a company encounters difficulties in relation to business cost, employee wages and shareholder dividends. (Kotler 1997, Berry 1983). Also as decisions of customers are influenced by trustworthiness, there is the likelihood of experiencing different levels of revenue that differ from previous periods.

For example, MTN, Vodafone and Airtel have undertaken various corporate social responsibility projects such as sponsoring various social and educational programmes.

Also, as part of the effort to create a good corporate image, One Touch has rebranded to Vodafone Ghana. It has equally restructured its vision and mission to enable it better compete and survive by embarking on a new strategy towards the provision of telecommunication services that is driven by data as a means towards the attainment of its vision.

Vodafone Ghana currently has an estimated 2,083,3867 subscribers representing 15.86% of the total market share, which is the second of five operating mobile telecom operators in Ghana as disclosed by the National Communications Authority in 2014.

In examining the importance of corporate image in today's business environment, an assessment of the extent to which the Ghana Telecom customer base and how it is

influenced by the customer's choice of a telecommunication company is essential. The aim of this study is to identify the direct and indirect influence of corporate reputation on a consumer's choice of telecom service provider. The study aims at examining the importance of favourable corporate image towards the increase in subscriber base with respect to Vodafone Ghana. It also seeks to provide appropriate recommendations for corrective action.

### **1.3 Objectives of the Study**

The general objective of this study is to settle the influence of corporate reputation on customer decision-making in terms of the customer's intention to subscribe to their services.

Specifically, the study:

- (i) Investigates the influence of corporate image on a customers' decision to subscribe to Vodafone telecom services in the Koforidua Municipality.
- (ii) Examines the elements in corporate image of Vodafone
- (iii) Determines factors that are considered by customers in becoming loyal to telecom service providers

### **1.4 Research Questions**

This study sought to fulfil its main objectives through the following specific research questions:

- (i) What factors of corporate branding affect a customer's decision to choose and subscribe to Vodafone telecom service in the Koforidua Municipality?
- (ii) How does corporate image influence a customer's perception of the service quality of Vodafone Telecom in the Koforidua Municipality?
- (iii) What factors of corporate image determine customer loyalty to Vodafone Telecom in Ghana in the Koforidua Municipality?

### **1.5 Significance of the Study**

This research work will provide massive addition to literature in terms of giving greater insight with regard to how the corporate image of an entity affects its customers' decision to subscribe to a mobile telecommunication service. Thus, it seeks to find out what customers consider important that indirectly influences their decision and intentions to subscribe to a telecommunication service.

It will also be of relevance to the telecommunication companies in Ghana, especially Vodafone telecom in particular to understand the role of the firm's image in the marketability of its products and services. Finally, it will help the firms to understand how a favourable corporate image can help raise its positive perception and services in the minds of potential customers.

## **1.6 Scope of the Study**

In this study, the area under consideration is the Koforidua municipality with specific reference to Vodafone Ghana as the time allotted to the study will not allow a comparison of all five telecom companies in Ghana.

## **1.7 Limitations**

The drawbacks that can be associated with this research were:

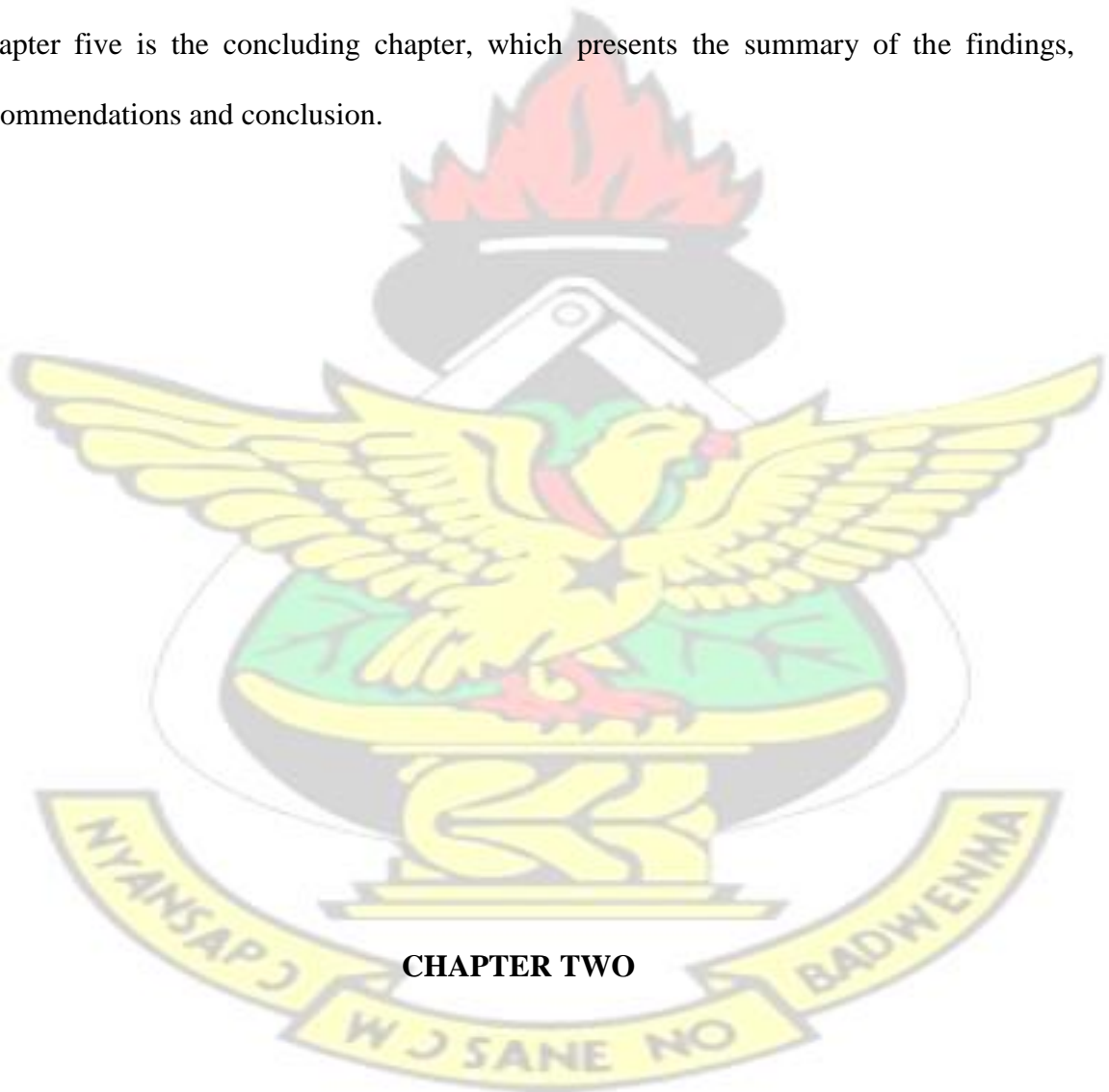
- ❖ The research is limited to only customers of the sampled area. In addition, data was collected from a class or group that was considered relatively educated to suit the answering of the questionnaire.
- ❖ Time and financial constraints could not allow a comparative study to be done in order to ascertain key indicators that could cause customers to switch to other service providers by defying loyalty schemes or programmes for customers.
- ❖ Finally the study would have liked to determine how consistent service support and after sales services is of importance to customer loyalty.

## **1.8 Organization of Study**

This dissertation is organized into five (5) chapters as follows:

Chapter one contains the introduction and background to the study, statement of the problem, research questions, the aims and objectives of the study, justification of the study, scope and limitations of the study and the organization of the chapters.

Chapter two gives a review of literature relevant to the research. The literature review delves into already existing and related literature as well as practical instances of corporate image and how it affects a consumer's choice from others. Chapter three presents the methodology of the study, population and sampling of the study. The methodology of the study has to do with how the research has been carried out in order to achieve the research objectives. Chapter four presents the analysis of the data and the findings of the study. Chapter five is the concluding chapter, which presents the summary of the findings, recommendations and conclusion.



## CHAPTER TWO

## LITERATURE REVIEW

### 2.1 Introduction

This chapter takes a closer look at the literature of past research relating to the research problem. This research focuses on two main parts namely the corporate image and customer's choice of service provider. Under these main parts, related literature in general is reviewed as well as specific themes that make up the research problem in particular.

### 2.2 Corporate Image

Corporate image has been defined by Nguyen and Leblanc (2001) as “the business name, architecture, variety of products/services, and interaction with the firm's clients” hence forming the physical and behavioural attributes of an organization. Barich and Kotler (2001) agree that corporate image casts an imprint on the way the public perceives the organization in their minds. Corporate image tends to cause effects on customer loyalty through previous indirect and direct evaluation processes (Ball, Coelho, and Vilares, 2006; Nguyen & Leblanc, 2001).

From the point of view of Grönroos (2003) how consumers perceive an organization and the influence it has on the consumer constitutes the image of the company (Keller, 2003). Corporate image is a perception which influences. Service evaluation is largely influenced by a company's corporate image as they are the leading drive behind these attitudes. Literature on attitude acknowledges that the manner in which services are evaluated is determined by increments “in predictive value as they become more accessible in memory” (Fazio (2005), Fazio and Zanna, (2004).

Future behaviours make attitudes easily reachable and foretelling. Oliver (2000) affirms that a customer's first behaviour during the point of service provision as well as the level of satisfaction derived from a consumer experience extremely dictates the attitude formed towards a product/service choice. The global brand or corporate image of a firm is influenced by how consumers evaluate and perceive the quality of performance (Selnes, 1993). An examination of the airline service agrees that "positive experience over time (following several good experiences) will ultimately lead to positive image" (Ostrowski et al., 2006). Corporate image is a sub-set of service quality which represents the experience derived from consuming a service. In other words, how customers perceive the quality of service directly affects how they also perceive the image of the organization (Aydin & Ozer, 2005) which also confirms that the perception of service quality directly affects the perception of corporate image.

It has been shown that corporate image is reiterated when the name of a business in any industry (such as hospitality, health care delivery, education and others) is mentioned to travellers. The total package of the consumer's response forms the corporate image. It is best explained as the impressions, beliefs and ideas that the public has about an organization which are displayed by an interaction with the organization's clients. Furthermore, the accumulation of purchasing/consumption experience overtime noted as corporate image can further be divided into two major components, functional and emotional.

Weiwei (2007) believes that the functional component is related to structures in place, "while the emotional component is associated with feelings and attitudes towards an organization" comprising the psychological measurements. When customers experience

the service from a business and processes the information regarding the way that the service was delivered in terms of measurable attributes, these form the basis for the feelings that they derive.

Berman and Evans (1995) described corporate image in terms of both functional and emotional dimensions. In regard to this they indicated that it is directly linked to ensuring a customer's satisfaction through factors such as advertising, spoken word effect and when prediction meets expectation in the future thus having a direct positive influence on satisfaction. (Young,(2000). Therefore, when customers are able to note the differences and similarities between various organisations in terms of their attitudes this process is believed to be as a result of corporate image.

Competition has been growing in every business sector forcing organizations to work and foster a sense of positivity about its image through effective communication to their stakeholders such as shareholders/owners and the public. Young (2000) confirms that any firm which either ignores or mishandles its image would as a result face poor relationships with vendors or government officials. Other challenges that will result from poor corporate image include low customer loyalty, high employee turnover, and declining worth of its stocks/shares.

According to Young (2002) “if an image problem is left unaddressed, a company might find many of its costs of doing business rising dramatically, including the costs of product development, sales support, employee wages, and shareholder dividends. In addition, since the majority of consumers' base their purchase decisions at least partly on trust, current and future sales levels are likely to suffer as well” (Young, 1996).

In businesses that range in different sizes, it is important that management recognises the need not to only establish. However, the entity must have the culture of maintaining a strong image and having the sole responsibility that its employees are also aware of . Corporate image begins at the top management level. Its focus should be the creation and developing of good company policies, rather than trying to do damage control caused by bad company policies. Young advises that transparency in all business dealings, base actions on substantive policies, focusing on the long-term plan, and the right of knowledge of stakeholder should be taken by business owners and managers leading to an incline towards improving their companies' image. After all, he affirms, a good corporate image that can take a lifetime to build would destroy in only minutes. (Young, 1996).

Different pictures have been formed by a range of corporate audiences thus leading to diverse interpretations form various branches of research. In spite of this corporate image which for some time now dominated a lot of research work, is not a one-sided story. Generally, the various meanings put forward for corporate image is as many as the various images that the public forms in relation to a company(Howard, 2001).

### **2.3 Factors to Consider In Determining Corporate Image**

Encyclopaedia for Business, (2010) indicates that corporate image is defined by certain factors, such as corporate culture and policy, operations, organizational design,

Encyclopaedia for Business (2010) states that a crucial aid to planning measures of plans and programs is the strategy portion. The policies of a company influences the way of action of the company and assists it to compete in the market. The company has complete

freedom to take any decision that affects every consumer products and services ensuring ease and affordability (Encyclopaedia for Business, 2010).

Corporate cultures are the principles that govern a company while dealing with the products and services of consumers a necessity which ensures top notch delivery to its customers. Oliver (1999) concludes that the organisations' mantra is ensuring their customers' satisfaction is placed as a top priority. This is because they obtain their main income and profit from the customers.

The hierarchy of the company from its management level to its working class level is classified as organizational design. It also ensures and embraces the inter-personal bond among the staff of the company from the head to the bottom level. The existence of unity when providing services to customers should be evident at the various departments of the company. Excellent status among its customers is brought about through the work of bodies of the corporate organization. (Gray et al, 1998).

#### **2.4 The Importance of a Good Corporate Image**

The secret to the success of business in the modern world depends upon many connections. A business man always wants to reach the pinnacle of his career field of action. This brings a momentum of respect from his fellow competitors causing the person to enjoy a high level of respect among his colleagues. Webmaster agrees that the key to have a successful business relationship is to have as well as maintain a high corporate image (Webmaster, 2009).

Market Opinion Research International in Britain conducted a survey in 1989. From the survey, it was realised that importance of firms attached to developing and promoting their

corporate identity would increase in the near future representing 77% of the total .is directly related to corporate image. (MORI, (1999)

Computer-Based Instruction and Fitch Consultants conducted a similar research a year later. Information gathered from their findings, and the corporate experiences of the 1990s strongly suggests that this expectation has materialized (Encyclopaedia for Business, 2010). The overriding reason for the burgeoning concern for corporate identity is abundantly clear. Consequently organisations have been forced so importantly to change the survival strategies. (Encyclopaedia for Business, 2010).

Society's growing expectation towards social responsiveness is the current interest. Some companies have built their strategies. One manifestation is the rise of socially responsible investment funds, as many of today's consumers consider the environmental and social image of firms in making their purchasing decisions. (Encyclopaedia for Business, 2010)

## **2.5 Perceived Service Quality**

In recent times the relevance of service quality has made the concept seen a development in line with scale and frameworks (Ladhari, 2009). A universally acknowledged and widely used model to measure service quality is the SERVQUAL model which consists of five service quality dimensions namely: assurance, empathy responsiveness, tangible and reliability (Parasuraman et al. 1988). Reliability is how an organization is able to execute the services it has promised trustworthily. Tangibles refer to the visible and physical characteristics of the firm; examples include how employees appear physically, the facilities and equipment of the firm. Responsiveness is best described as the willingness to provide rapid attention thus assisting participants. Assurance represents polite, respectful

and knowledgeable employees. Finally, the empathy is the user's provision attention. Also, service quality has been explained and best defined as the difference between the customers' expectations and perceptions. (Asubonteng et al., 2000)

From the initial stages of the development of the SERVQUAL model some researchers like Claver et al. (2006) consider it the relevance and reliability of the model in measuring service quality for three reasons which are "the identifiable location of quality related problems, establishment of clear standards for service delivery and identification of customers' perception on service quality" (Kandampully & Hu, 2007).

## **2.6 Factors Influencing Perceived Service Quality Certifications**

The International Organization for Standardization (ISO) is the universally acclaimed certification of the ISO 9000 and 14000 series that all businesses aspire for. This is significant because an ISO certificate indicates a universally acknowledged standard of quality (Claver & Pareira, 2006). Furthermore, companies which have been able to obtain the ISO certificates noted Quazi and Padibjo (1998), have been able to enhance their corporate image due to an increment in the satisfaction and preference of consumers. A great number of hotels have resolved to obtain quality certification due to the relevance of service quality. (Brown & Van der Wiele, 1999)

## **2.7 Service Quality, Corporate Image and Customer Loyalty**

Research undertaken by Nguyen and LeBlanc (2003) inferred that a customer's loyalty and service quality have a positive relationship. (Kandampully and Suhartanto, 2000) Customer loyalty as defined by Skogland and Siguaw (2004) is when a party is willing to continue

taking part in the services of an organization although there are differences in certain factors. This intention inclines them to recommend the services to others. This study therefore divides loyalty into three dimensions which are positive word of mouth, price insensitivity and repeat-patronage which impact on service quality. (Skogland and Siguaw, 2004).

Image will be partitioned into two dimensions which are the holistic images and attributes. The outcome of loyalty as a result of quality service is found to be attained corporate image playing a role. Kandampully and Suhartanto; (2000) perceive that this is due to the fact that loyalty is affected by an organization's image as a result of its service quality (Kadampully & Suhartanto, 2000; Nguyen & LeBlanc, 1998). It can be inferred that perceived service quality has an influence on loyalty (Nguyen and Leblanc, 1998) because image largely influences loyalty. Studies by Andreassen and Lindestad (1998) reveal superior image of a firm is likely to be noticeable in the marketplace, thus attracting both new and existing consumers.

## **2.8 Consumer Behaviour**

The observable behaviour and processes which consumers go through mentally and emotionally during searching, buying and post consumption of a product and service are referred to as Consumer behaviour. (Batra & Kazmi, 2004). People who purchase goods and services for personal consumption as acknowledged by Engel et al. (1990), is brought about by consumer behaviour which drives the action and decision process.

Four different notions related to the consumer decision making process and behaviour

(Schiffman & Kanuk, 2004) is existent. The first of them is 'economic view'. Here imperfect competition faces the consumers. As a result they are always expected to make rational decisions based on their assumptions being made aware of all product alternatives, leading them to rank the benefits and limitation of each alternative ensuring easy identification. (Schiffman & Kanuk, 2004) The second is the 'Passive View' which is extremely dissimilar to the economic view. This view implies that consumers are irrational and impulsive. This leads them to be influenced by the marketing tools resulting in submission to self-centred interests of marketers. (Schiffman & Kanuk, 2004).

Thirdly, the 'Emotional View' is based on emotional relationship with some products and services leading to a perception of their decision making. For instance, Schiffman & Kanuk, (2004) agree that a person losing a specific pen will ultimately seek to purchase any pen in close resemblance to their favourite possession instead of rationally deciding to evaluate alternatives ( economic view) or getting influenced by marketers ( passive view).

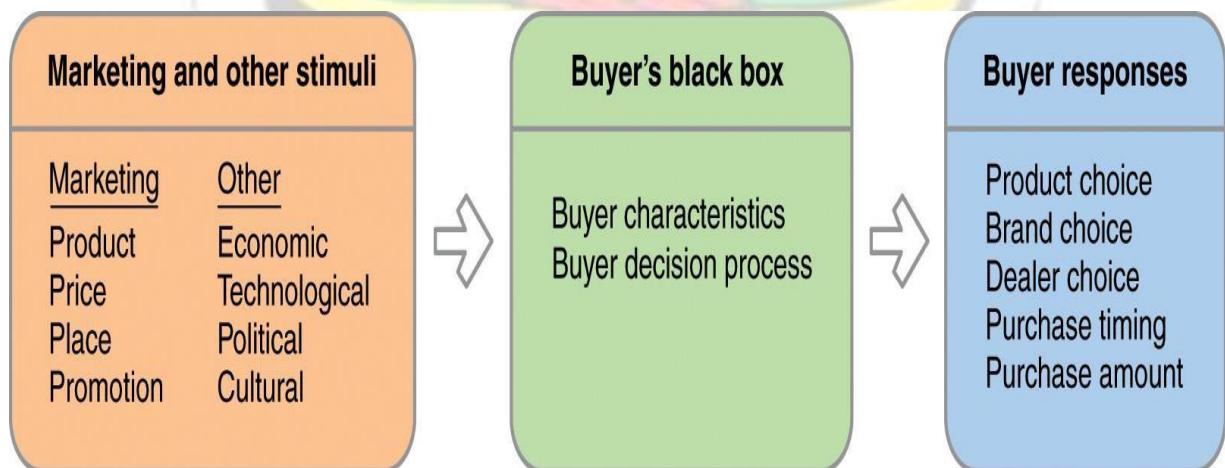
The most acknowledged view is the fourth one known as 'Cognitive View' where consumers seek products and services that bring a sense of fulfilment of their needs. The consumer is considered as a "thinking problem solver". (Schiffman & Kanuk, 2004). Based on information seeking and processing attributes usually directed by a goal, a consumer's behaviour is formed.

It can be considered validity, that all the four types of decision making behaviours exist and provide market guidelines to analyze consumers accordingly, despite the critiques of each viewpoint. Nonetheless, based on general perception about the most acknowledged and common the 'cognitive view',

A broader model of consumer behaviour in which the stages of consumer's decision making process is asserted by Batra and Kazmi (2000). This model of consumer behaviour establishes the relationship between stimuli and the consumer's response in the form of product choice. This model explains that marketing and other stimuli enter the consumer's medulla oblongata and produce certain responses (Batra & Kazmi, 2004).

With respect to Cohen (2004) how a person interacts with the marketing mix and how the marketing mix inputs (or the four P's of product, place, promotion, and price) are adapted and placed upon the consumer forms the consumer behaviour. This is a result of the psychology of each individual when products and services are offered in association with their own perception which is personal, attitude, culture and previous learning, and personal perception. The consumer then makes certain decisions such as what and where to purchase their items. (Cohen, 2004).

Figure 2.1. **Model of Consumer Behaviour**



## 2.9 Characteristics Affecting Consumer Behaviour

Characteristics which are psychological, social, cultural, personal and physiological characteristics greatly influence a consumer's purchases. (Kotler et al, 2002). The widest and deeply rooted influence on a consumer is their cultural factors. Culture dictates the basic wants and behaviour of a person. When growing up basic values, perceptions wants and behaviours from family and other important institutions are picked up by a child from their immediate surroundings.

A sub-unit of people with shared value system based on common life experiences and situations forms a culture. It includes geographic regions, religions and nationalities.

Social factors, such as the consumer's status, family and social roles directly influence a consumer's behaviour. Reference groups are groups that serve as direct or indirect points of comparison or reference in forming a person's attitude or behaviour. They expose a person to new behaviours and lifestyles since he or she wants to fit in: having an overall influence on the person's attitude and self-concept, Kotler et al (2007) agree that though this pressure created affects the person's product choice, the decision consumers make about a product or service is influenced by their individual traits and demographic characteristics like their lifestyle, age, self-concept and others. Individually, there is distinction in personal traits which are factors that affect consumer behaviour. Whether a person is self-confident, sociable, autonomous, defensive, adaptable or dominating are all characteristics of personality. It is defined in the broadest sense as distinct mental have responses that are consistent and lasting on their own environment. (Kotler et al, 2002).

Beliefs, motivation, learning attitudes and perception influence a person's buying choices. Maslow clearly states that purchasing behaviour is not only acquiring goods, but also having the inner needs of consumers satisfied. The inner drive that arouses a person to do something of necessity is known as motivation. Everyone has many needs. In line with this, Maslow's theory of Motivation (Maslow, 1996) also reported the importance of the needs was different, and the needs could be positioned by level. This is known as the five hypotheses in Maslow's theory of Motivation.

According to Kotler (2002), out of a need motivation is drawn as it is aroused to a sufficient level of intensity. A need that is sufficiently pressing to direct a person to seek fulfilment is known as a motive. How a person acts is influenced by his perception of the situation, being poised for action. When people perceive situations differently, although they may have the same motivation, they may act quite differently.

### **2.10 Consumer Decision Process**

From a different perspective, the decision-making process has been approached. Here, consumers' views are being classified as emotional and problem-solving. A reflection of this is seen in the stage model of a typical buying process (often called *the consumer information processing model*) depicted in Figure 2 below.

Consumers pass through five stages in choosing or deciding on their product. (Kotler et al, 2002). Anyone making marketing decisions because they are being forced by the marketer, have in thought the purchasing decision rather than just whole buying process. However, in more routine purchases, customers are often inclined to skip or reverse some of the

stages. Nevertheless, the model implies that customers pass through all stages in every purchase.

Figure 2. **Model of Buyer Decision Process**



**Source: Adopted from Kotler (2009), Schiffman and Kanuk (1997), and Solomon (1996)**

The consumer passes five stages namely: recognising the problem, searching for information, evaluating and selecting and post purchase evaluation in this model.

### ***2.10.1 Need Recognition***

The initial stage of the buyer decision process is where a problem is recognised or need addressed which distinguishes between the state of actuality and desiring. (Kotler et al, 2002). In this information processing model, the consumer first identifies a problem or need. The difference between the state of actuality and an assumed state indicates that, there is problem recognition. When a problem is found, usually the first notion is to try and solve the problem. In other words, recognition of the need eventually leads to the problem being resolved. (Kotler et al, 2002).

### **2.10.2 Information Search**

(Kotler et al, (2002) relay that when a consumer encounters a problem, he/she is likely to undergo information-seeking to learn about brand features and characteristics that compete in the market.

### **2.10.3 Evaluation of Alternatives**

One dominant view, however, is to see the evaluation process as being cognitively driven and rational (Kotler et al, 2002). Unfortunately there is no single, simple evaluation process applied by all consumers or by one consumer in all buying situations.

### **2.10.4 Purchase Decision**

To resolve the problems, there needs to be the selection of specific items and outlets to ensure the implementation of the purchase decision. 1) Simultaneously; 2) Item first, outlet second; or 3) Outlet first, item second are the three ways these decisions can be made. Kotler et al (2002) agree that consumers engage in a simultaneous selection process of stores and brands.

### **2.10.5 Post-purchase Evaluation**

Decision-making influences the post-purchase evaluation. Directly relevant here is the level of *purchase involvement* of the consumer. It is therefore known as the level of concern for the purchase determining how extensively information is sought for. (Cardozo (1999). Firstly, address customer satisfaction at this stage and point out that customer satisfaction will increase repeated purchase behaviour. A re-purchase is likely to be carried out by a customer if they are pleased and talk favourably about the product of a company

and the company itself. However, dissatisfaction leads to a different response. (Kotler et al, 2002).

All these sources have their ways of transmitting corporate image into the minds of the customers. From the discussion above even though it is observed that corporate image finds itself at vital stages, there is still the interplay of complex variables to explain consumers' choice of a product or service. This starts with the stimulants - from which corporate image plays a vital role- which feeds the consumer's black box in order to generate consumer's choice. The process continues with the evaluation of alternatives (Kotler et al, 2002).

### 2.11 The Hierarchy of Effects Theory

The *hierarchy of effects model* is another model in marketing where consumer decision-making process is explained. The HOE model is related to the consumer information processing model. Here people are cognitively driven. Different researchers have slightly different developed models, where the fundamental idea is that people experience a psychological stage in calculated sequence.

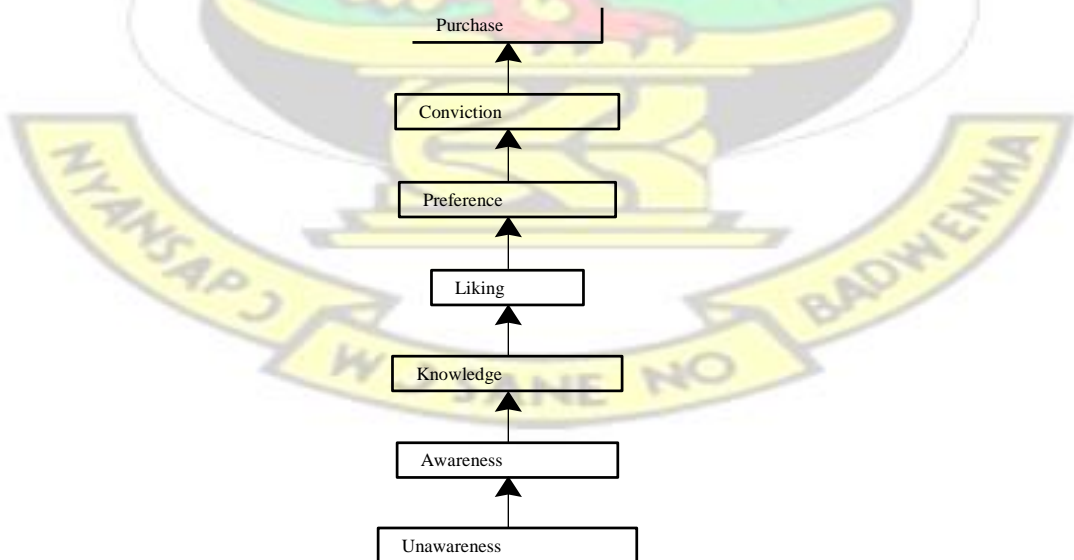


Figure 2.3. **A General Model of the Hierarchy of Effects**

**Source: Adopted from Delozier (1976)**

Taking a critical look at two of the most widely accepted models of consumer decision-making process that had been revised, and which are based on theories and research of social psychology, marketing and consumer behaviour, both managers and academics have made some conclusions. These are:

- The idea of the information processing model seems reasonable because individual humans do not live in seclusion. That is, individual purchase decision is constantly driven by other factors than just information, such as family, friends, cultural values, social class, or subculture. However physiological needs, such as sex, hunger, safety do not affect which brand to choose and buy. These factors play a minute role in the information processing model (Delozier, 1999).
- The information processing model has some practical implications for marketers who are trying to market, say, mobile phones. With the introduction of new product information, knowledge about information processing is an asset. For example, with the introduction of a new product, the information processing model helps things to be done differently.(Delozier 1999).
- The HOE model has some implications for marketing managers. For example, the advertising manager should be able to measure to know the “effectiveness” of the advertising campaign to “sales” (Delozier 1999).

- There are some products/services in some situations/circumstances that consumers are more likely to develop “liking (feeling)” first, and “knowing (thinking)” second. Products/services in those situations will naturally not adopt any of the models(Delozier 1999).

## **2.12 Corporate Image and Customer Loyalty**

When success of a state as well as its survival was pertinent, the word loyalty was coined. Zeithaml, Berry, and Parasuraman(1996) define customer loyalty as a consumer’s decision to stay with an organization. Customer loyalty is a buyer’s commitment to an organisation, product, service, or brand. (Oliver, 1999). It can also be linked to relationship commitment. This is where a valued relationship is desired to be maintained. (Morgan and Hunt, 1994).

Customer loyalty is displayed in a variety of behaviours such as when consumers continuously patronize and recommend a service provider to others is commonly seen. (Lam, Shanker, Erramilli, and Murthy, 2004)

Even though financial performance whether long or short term, is primarily seen as a prime factor of customer loyalty, customer loyalty is driven by service quality and consumer satisfaction (Lai et al., 2009) as these are agreed by various studies as factors that connect loyalty to key drivers (Guo et al., 2009; Balabanis et al., 2006).

A research found out customer loyalty is positively related to customer relationship (Gruen et al., 2006) evident through word of mouth. Much of the research has shown strong relationship is affected by the involvement of emotions in service recovery impacting on loyalty also (Lee et al., 2008; Chebat & Slusarczyk, 2005). Cronin et al., (2000) agree that

improved service quality leads to higher consumer satisfaction which also leads to customer loyalty.

Again, corporate image is a major agent that influences the overall perception of the quality delivery for a service. Corporate image is described in terms of how consumers perceive the organization and its imprint in their memories. It is a reflection of the company's overall prestige and reputation thus working like a sieve through which an organization's activities are carried out. Perceived service quality influences the organizational image since it originates from the overall experience of consumers (Aydin & Ozer, 2005). Brown and Dacin (1997) also believe that a customer's perceptions of social responsibility and capability results from corporate image.

When products are delivered within expertise delivery and service offerings, this is known as corporate capability. Erdem and Swait (2004) agree that the "signaling theory" gives a broad limit that helps explain how corporate image correlates with the loyalty that consumers show towards an organization. When a company's management deals with social issues, this is referred to as corporate social responsibility. It refers to high service quality delivery of products to ensure effective innovation. Thus, from the point of view of Zins (2001), how consumers evaluate the quality of service delivery, their level of satisfaction, how this in turn impacts on how loyal they become are all influenced by the image of the firm.

From this theoretical view, the institution's communication shape a reputation for social responsibility and capability built. Credible information signals are built from repository. These cues are then used to determine the value and quality of services provided which are

intangible. As revealed, the focal point for subsequent customer loyalty building is driven by customer loyalty. (Erdem and Swait, 2004).

### **2.13 Corporate Brand and Customer Loyalty**

Supphellen and Nysveen, (2001) revealed that empirical studies exploring the aftermath of what the internet revolution has brought about has had a great impact on the brand of a business. Ind and Riondino(2001)however affirmed that few research has produced the link that exist between corporate brand and the loyal customer (Merrilees and Fry, 2002). However, to marketers, such insight is crucial since a positive corporate brand affects how customers patronize and make decision regarding the products and services of the company. Similarly, a negative brand has unfavourable impact on consumer behaviour (Christodoulides& de Chernatony, 2004). Therefore, it is imperative for businesses to understand the brand image consumers have conceived in their minds as it impacts on the success or failure of the firm. Practically, a company with a positive and high brand image can increase profits by increasing sales volume without incurring high marketing and advertising overheads as noted by de Chernatony and Harris (2000). According to da Silva and Syed Alwi, (2008) recent empirical reviews have been conducted into the relationship between brand image and loyal customers where the researcher attempts to investigate the effect that corporate brand has on customer satisfaction with a focus on customer loyalty.

### **2.14 Empirical Study on Corporate Image, Service Quality and Customer Loyalty.**

Empirical review of literature reveals that corporate image had a positive relationship with customer loyalty, as it was indicated that about 57.3% of customers identified corporate

image as an important attribute in their loyalty (Lee et al, 2008). Further, 86.8% of customers agreed that service price was an important factor, and 87.6% considered service quality as important as well, whereas only 49.9% agreed that corporate brand was an important attribute in their loyalty.

Customer satisfaction was also measured in the study of Lee et al. (2008) who found out that 88% of the customers they surveyed were very satisfied or satisfied with the support services they received, 54.6% of them were very satisfied or satisfied with the corporate image attribute, 55.9% of customers agreed they were very satisfied or satisfied with the service quality. However, only 27.6% of customers in their study were very satisfied or satisfied with the service price, moreover, 35.2% of the respondents noted their satisfaction to brand awareness.

They also identified a significant relationship between service price, service quality, corporate image, and brand awareness, and their influence on customer loyalty to providers of mobile communications service. In other words, service quality, price of service, brand awareness, and corporate image were factors that have direct effect on consumer loyalty, even though they found that there was no significant relationship between customer support service and customer loyalty.

In order to establish the loyalty of customers to mobile communication service providers, their study Lee et al. (2008) discovered that brand awareness, service price, corporate image, and service quality are strong antecedents. However, it is corporate image that has the most important influence in the process of ensuring customer loyalty. This has to be achieved and maintained in the industry (Lee et al, 2008). Previous studies done in China (Lai et al., 2009) and Turkey (Aydin and Ozer, 2005) reinforce the above findings. They

discovered that customer loyalty is created through the quality of service delivery in the respective mobile telecommunication markets. In corroborating these findings, Lindestad et al, (1998) also observed that service quality, service price, and corporate image are strong antecedents for establishing customer loyalty (Young-Ei Kim, 2010).

In another study Lai et al (2009) measured customer loyalty within telecommunication industry in a collectivist society as they sought to concurrently survey the relationship that exists among customers' perception of value, the quality of service, their satisfaction, the image of the organization, and customer loyalty. They developed a model to survey the interrelationships among evaluation of service quality, customer perceived value, perceptions of corporate image, customer satisfaction, and loyalty.

According to their findings, these factors, namely, quality, value, image, and satisfaction are supposed to simultaneously affect the level of customer loyalty, 80.6% of the customers surveyed were satisfied, 68% of them perceived that value influenced their loyalty, 57.9% of the customers surveyed showed that corporate image was an influencing factor as well, however, only 39.4% agreed that perceived quality was a crucial variable that influenced their loyalty. In their conclusion, Lai et al (2009) proposed a model that indicated a direct and positive relationship between customer with perceived value, customer satisfaction, and corporate image.

In effect, the relationship between service quality and customer loyalty can be explained in terms of direct and indirect components. Indirectly, customer loyalty is influenced by service quality through the intermediating role of corporate image. Directly, customer satisfaction and corporate image had a significant determining effect on the loyalty of

customers. A comparison of total effects indicates that corporate image affects loyalty more strongly than does satisfaction.

## **2.15 The Loyalty Drivers for Customers**

### **2.15.1 Satisfaction**

Considering the intermediary role of customer satisfaction and other measurements of the loyalty of customers, it can be seen that customer satisfaction significantly influences the relationship that exists among customers' perception, service quality, organizational image and the loyalty of customers.

In the opinion of Peterson and Wilson (1992), the facilitating role of customer satisfaction is based on recency because when consumers feel satisfied or excited with a service delivery, they tend to exaggerate the effect of the quality of service, the value of that quality and how it impacts on their view of corporate image of the service provider.

Several empirical results from other studies indicated the consistency of this assertion that satisfaction has a mediating effect on customer loyalty behaviour (Stank et al., 1999; Lu and Tang, 2001; Zins, 2001; Caruana, 2002).

### **2.15.2 Value**

Perceived value is functionally influenced by the quality of service and image of the organization. In turn, value directly impacts on customer satisfaction because value functions as a facilitator between the quality of service that customers receive, their level of satisfaction and how they subsequently perceive the image of the provider. Here,

perceived value only indirectly influences loyalty through satisfaction (Caruana, 2002; Lu and Tang, 2001; Stank et al., 1999; Zins, 2001).

### ***2.15.3 Corporate Image***

It is asserted that corporate image is enhanced primarily through quality service delivery. The higher the service quality, the better the perception of corporate image. In other words, it can be deduced indirectly that, organizational image influences customer satisfaction through value addition. In addition, there is a direct relationship between corporate image and loyalty as customer loyalty can be directly predicted by image. In effect, corporate image is significant in enhancing customer value, satisfaction and loyalty (Caruana, 2002; Lu and Tang, 2001; Stank et al., 1999; Zins, 2001).



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY AND PROFILE OF VODAFONE**

#### **3.1 Introduction**

This chapter discusses the methodological orientation employed in the study to address the research question. It starts with the research design, then comes the research approach, after which the population of the study, is next the sampling and the sampling techniques employed. The methods used in collecting the data and the analysis are also explained. In all, this research used both quantitative and qualitative methodology in its approach.

## **3.2 The Research Design**

The classification of research purpose most often used in research methods literature is the threefold one. They are: exploratory, descriptive and explanatory.

### ***3.2.1 The Exploratory Design***

Exploratory research design is used when the focus is to produce fundamental knowledge, make important issues clear, discover associative variables to a problem, unveil new information requirements, and/or explain alternatives needed to address the objectives of a study. The main advantage in using exploratory design can be seen when one desires to make the understanding of a problem clearer, especially where there are uncertainties of the exact state of the research problem. In exploratory approach, the researcher is able to investigate the problem by undertaking thorough literature review, conduct interview with 'experts' within the field, and/or with focus groups too. It is a flexible and adaptable form of conducting research that allows for change when there is evidence of new information and insight that will enrich the study.

### ***3.2.2 Explanatory/ Causal Design***

Explanatory research design helps the researcher to establish causal relationships between variables. Researchers adopting it must be studying a situation or a problem in order to explain the relationships between the variables. This research design typically adopts quantitative data that can easily be analysed statistically by means of correlation, regression and chi square, even though qualitative data can also be useful to give explanations to the relationships that exist.

### ***3.2.3 Descriptive Design***

This type of research design is useful in providing further insight into a research problem. This is done when descriptions are offered concerning the variables the researcher is interested in. The focus of this research design is to describe the nature and degree of conditions associated with the research problem. This method is used to describe the nature of a situation, as it exists at the time of the study and to explore the cause(s) of a particular phenomenon.

This study employed the descriptive design due to the fact that similar studies by various researchers (Nguyen & Leblanc, 2001; Lai et al., 2009), utilized this same design, and also this design is used as it offers a better understanding of the relationship that existed between the variables (Cronin et al., 2000). In addition, because this research was based on existing studies and data, the descriptive design was deliberated to be appropriate as data collection was carried out in such a way that the data collected can be well organized and the findings could be tabulated.

Finally, according to the objective of this study which sought to identify how corporate image influences customers' choice of a telecom service provider, it was appropriate to use the descriptive design to describe the findings of the study which would aid the use of both qualitative and quantitative data.

### **3.3 Population of the Study**

The population of this study comprised of the customers of Vodafone in the Koforidua

Municipality. It is estimated that the total number of customers of Vodafone in the Koforidua Municipality is about 30,000. This was based on the total customer registration documents available in the Vodafone office, in Koforidua.

### **3.4 Sampling and Sampling Technique**

After deciding on the population, the next step is to design a sampling plan. Sampling is done usually because it is impossible to test every single individual in the population. It is also done to save time, money and effort while conducting the research, though the ideal scenario is to test all the individuals to obtain reliable, valid and accurate results. Respondents aged 18 and above who were considered adults to make purchase decision and had had customer relationship with the company within the last 3 months were issued with a questionnaire.

The sampling techniques that were adopted for this research was the simple random sampling for the customers and the purposive sampling for the employees interviewed. In a simple random sample of a given size, all such subsets of the frame are given an equal probability. The simple random technique is justified since it gives all customers the same chance of selection. This also minimises bias and simplifies analysis of results. In particular, the variance between individual results within the sample is a good indicator of variance in the overall population, which makes it relatively easy to estimate the accuracy of results. (Adèr et al, 2008)

The Koforidua office location was equally chosen in order to secure service experience customers who have had customer relationship and service experience with the operator.

### 3.5 Sample Size

The population of this research was defined as Vodafone customers in the Koforidua Municipality. The sample size was set as 200 respondents. This number is in accordance with the views of Dillman (2000) and Hill et al (2003), who stated that a population and sample size of one hundred and above is sufficient to present good concise research findings and provide good representation of the population or the organization or any subject investigated. Again, Mahotra and Birks (2000) observed that a typical sample size of two hundred to two thousand five hundred was ideal for a research work, whilst Dink and Harlow (1995) also revealed that a sample size of one hundred and fifty and above was ideal for a research which are in consonance with this researcher's sample size of 200. Finally, this sample size was selected for the reason that similar figures have been used in other attitudinal researches of that sort to establish relationship between variables (Andrews et al; 1991, Crane, 1991; Durvasula et al 1993; Ali, 1994; Schlosser et al 1999; Wolin and Korgaonkar, 2003).

Additionally, a total of 24 employees, comprising of three top management members from the Head office, eight (8) senior staff members who are centre/branch managers and thirteen (13) junior staff of the company from across all the offices were interviewed.

**Table 3.1 Table of Survey Respondents**

<b>SURVEY RESPONDENT</b>		
<b>Survey Respondents</b>	<b>Frequency (n)</b>	<b>Percentage (%)</b>
Customers	200	89.3
Junior Staff	13	5.8

Senior Staff	8	3.6
Management	3	1.3
<b>Total</b>	<b>224</b>	<b>100</b>

The choice of these respondents was based on the reason that:

- ❖ The customers were the prime focus and target respondents of this study.
- ❖ The junior staff was in continual and direct touch with the customers of the company.
- ❖ The senior staff was experienced and knowledgeable in customer reaction and perception with the corporate products and services.
- ❖ The management staff deals with strategic and policy decision towards the improvement of corporate image.

### 3.6 Data Collection Instruments

Primary and secondary data were collected in this study. Primary data was collected using the tools of interviews and questionnaires.

**Interviews:** Nachmias & Nachmias (1996) defines an interview as a “face-to-face, interpersonal role situation in which an interviewer asks participants questions designed to elicit answers pertinent to the research hypotheses” (p 232). Interviews are not only face-to-face; they can also be done by means of electronic communication such as telephone or even computer assisted (Sekaran, 1992). In the view of Kahn et al. (1957) an interview is a verbal communication between two or more people where the interviewer asks questions through which information is gathered from the interviewee. Interviews offer interactive

means of data collection as opposed to the extractive one. Probing questions posed to the interviewee elicits elucidating information for better insight rather than participant just providing answers to a structured questionnaire. The interview also results in a higher and more complete response rate than mailed questionnaires.

Both workers and customers were interviewed for this approach provided an in-depth understanding of the relevant issues, which are very critical for a good research. Finally, the use of interviews in this study also helped the researcher gather valid and reliable data that was relevant to the research questions and objectives. Interviews were also conducted on a semi-structured basis with the help of a schedule of questions. Each interview lasted averagely about 15 minutes. (Interview guide included in the Appendix)

**Questionnaire:** Questionnaires have, according to Sharp & Howard (1996, p 145), “over the past century, become a common method of gathering information.” It can be defined as “a pre-formulated written set of questions to which participants record their answers, usually within largely closely defined alternatives.” (Sekaran, 1992, p 200). In other words, a questionnaire is defined as a form or a document in which persons are asked to answer a set of questions in a prearranged order (deVaus, 2002).

Questionnaires were used to gather information from respondents who can give relevant information about Vodafone and its corporate image. The questionnaires were again administered to only the Vodafone customers. The choice of questionnaires helped to gather responses in a uniform and consistent manner and the researcher also had no influence whatsoever on the answers the respondents gave.

Owing to the above, a total of 240 questionnaires were distributed to the customers at the two main customer service joints between the hours of 8am and 5pm daily, in Koforidua over a two-week period in July, 2014. Each questionnaire administration lasted averagely 15 minutes. Customers who took the questionnaires away were called in order to be able to retrieve the feedback for that respondent before a substitute was picked. Out of the number distributed, a total of 200 were answered and received from customers.

### **3.7 Data Analysis**

The data was presented in tables, graphs and numerical summaries. The data was analyzed using Statistical Package for the Social Sciences (SPSS) which is computer software. Hence, the data were displayed in numerical form in the rows and columns of a matrix. The tables gave a summary of the data. The choice of this approach is to make the findings of the study convenient and easy to understand.

### **3.8 Ethical Considerations**

It is a policy in research to adhere to high ethical standards when Research Work involves human subjects. The ethical standards set for this research is elaborated as follows.

- a) Before an individual becomes a subject of research, he/she shall be notified of:
  - ❖ the aims and objectives of the study
  - ❖ his/her right to abstain from participation in the research and his/her right to terminate at any time his/her participation; and
  - ❖ The confidential nature of his/her replies.

- b) No individual shall become a subject of research unless he/she is given the notice and provides a freely given consent that he/she agrees to participate. No pressure or inducement of any kind shall be applied to encourage an individual to become a subject of research.
- c) The identity of individuals from whom information is obtained in the course of the project shall be kept strictly confidential. No information revealing the identity of any individual shall be included in the final report or in any other communication prepared in the course of the project, unless the individual concerned has consented in writing to its inclusion beforehand.

Finally, the researcher will not present any significant portions or essentials of another person's work as their own work. All works of other writers will be properly and duly acknowledged.

### **3.9 Vodafone Company (Ghana) Limited**

#### ***3.9.1 Profile of Vodafone***

Vodafone Ghana is the national telecommunications company in Ghana which was formerly known as Ghana Telecom. Ghana Telecom had about 400,000 customers in 2006 using fixed and mobile telephony and Internet services, and by 3rd July 2008, the sale of the company for \$900 million to Vodafone group was announced. At the close of the deal, Vodafone owned 70% stake in the company, leaving the Ghanaian government to retain the remaining 30% stake. On 16 April 2009, the company was rebranded as

Vodafone Ghana. -[www.vodafone.com.gh](http://www.vodafone.com.gh)

### ***3.9.2 Corporate Vision***

The company has a corporate vision of making telecommunication, both cellular and fixed telephony, as well as data and other communication services cheaper and affordable to all their stakeholders and to the average Ghanaian.

### ***3.9.3 Corporate Mission***

The company has a mission to become the leading provider of quality and reliable services, both voice and data at a fair price in the telecommunication industry in Ghana.

### ***3.8.4 Corporate Values***

Connecting, Responsive, Inclusive, Transparent and Evolving are the core values of the company in its dealings with all the stakeholders.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND DISCUSSION**

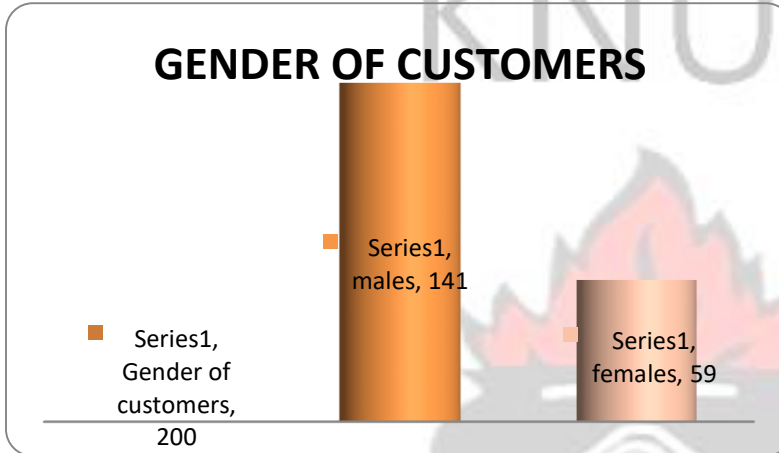
#### **4.1 Introduction**

This chapter covers the presentation and the analysis of the results gathered from the respondents. It has been categorized into four parts; the demographic background of the respondents, the findings of the influence of corporate image on a customer's decision to subscribe to a telecom service. All the constructs or variables were measured on a 5-point Likert scale with a higher value indicating a stronger agreement towards the statement in the scale. Hence a higher value indicates a higher rating towards perceived quality, corporate image and stronger perception towards loyalty

## Demographic Background of respondents

### 4.2 Gender of respondents

The diagram (Figure 4.1) below represents the gender of the respondents administered.



**Source: Researcher's field work**

From the diagram above, majority of the customers were male. 70.5% (n=141) from the total respondents out of 200 were males. The rest of the respondents were females which represented 29.5% (n=59).

**Table 4.2.1** The Age Distribution of the Respondents.

Age Range	Frequency	Percent
0-19	12	6.0
20-40	150	75.0
41 and above	38	19.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

**Source: researcher's field work**

From the Table 4.1.1 above, 6% (n=12) were within the age range of 0-19. Again, 75% (n=150) fell within the age range of 20-40. Again, out of the 200 respondents, 19% (n=38) were within the age range of 41 and above. This shows that, majority of the respondents were within the age range of 20-40, indicating that most of the customers are young adults.

**4.3 Corporate Image Influence on a customer's decision to subscribe to telecom services**

Corporate image is defined in terms of “the overall impression made on the minds of the public about a firm” (Barich and Kotler, 1991). This means that both the tangible (physical) and intangible (behaviour) of the organisation is considered in the meaning of corporate image which includes the physical facilities of the business, their services, range of products, name, logo, and others (Nguyen and Leblanc, 2001).

Below are the various impressions of the customers on Vodafone. Research work done in various fields support the claim that corporate image influences customers' loyalty both direct and indirect (Ball, Coelho, and Vilares, 2006; Nguyen and Leblanc, 2001). Also, corporate image is the result of some factors which influence the construct including organizational culture and policy, design, operations, and management (Encyclopaedia for Business, 2010). Business strategy is crucial in aiding the organization to plan and measure performance; organizational culture measures the norms, beliefs, customs and values that characterize an organization in the process of service delivery.

### 4.3.1 Perception of Prices of Vodafone products

**Table 4.3.1** Perception of Prices of Vodafone products

Attributes	Frequency	Percentage
Very Cheap	41	20.5
Cheap	115	57.5
Affordable	28	14.0
Expensive	16	8.0
Very Expensive	0	0
Total	200	100.0
<b>Weighted Av. Scores</b>	<b>3.9</b>	

**Source:** researcher's field work

The table 4.3.1, above represents the perception of price as a corporate image factor and its influence on the customer's choice of Vodafone. Majority of the respondents 78% (n=156) indicated that Vodafone's products are cheap or very cheap. The Other 14% (n=28) have a different perception that Vodafone products are affordable.

Again, the rest of the customers were of the view that, Vodafone's products are expensive. These respondents constitutes 8% (n=16). This simply means that the large majority of the customers that were reached with the questionnaires perceive Vodafone's products and services to be cheap/very cheap.

### 4.3.2 Perception about Vodafone's Products

This section deals with the perception of the customers about Vodafone's products (modems and phones).

**Table 4.3.2** Perception about Vodafone's Products

Perceived Attributes	Modem		Phone	
	N	%	N	%
Best	125	62.5	43	21.5
Quite Good	70	35	132	66.0
Good	4	2	25	12.5
Poor	1	0.5	0	0
Very Poor	0	0	0	0
Total	200	100	200	100
<b>Weighted Av. Scores</b>	<b>4.6</b>		<b>4.1</b>	

**Source: Researcher's field work**

From table 4.3.2, Vodafone's products (modem and phones) were rated very high with a weighted average score of 4.6 and 4.1 respectively. This means that majority of the survey respondents representing 62.5% (n=125) support the fact that, Vodafone modem is the best. This assertion has improved the corporate image of Vodafone since most customers are now shifting from other networks modems to Vodafone to purchase Cliq. More so, 35% (n=70) support the fact that the modem is quite good. This shows that overwhelming majority 93% of the respondents (n=195) agreed that Vodafone's products are best or quite good. On the other hand, 2% (n=4) said Vodafone modem is very poor in quality while 0.5% (n=1) had no idea of Vodafone's modems.

Regarding the phones, 21.5% (n=43) support the argument that Vodafone phones are the best. Again, majority of the customers consisting of 66% (n=132) explain that, Vodafone phones are quite good. The rest of the customers constituting 12.5% (n=25) support the fact that it is poor.

Concerning the internet service of the organization, 61.5% (n=123) explained that, the service is the best. Furthermore, 72 customers 36% 9 (n=72) explained that it is quite good. Five customers representing 2.5% said it was poor. In relation to the cheap call rate, 39.5% (n=79) said it is the best. Again, 49.5% (n=99) said it was quite good. Twenty one (n = 21) customers representing 10.5% said it was poor. Only one person did not take a stand.

This supports the idea according to Grönroos (1988) and Keller (1993) that “corporate image is a perception of an organization held in consumer memory and works as a filter which influences the perception of the operation of the company. Attitude theory suggests that service evaluations are the leading cause of corporate image and that these attitudes increase in predictive value as they become more accessible in memory” (Fazio and Zanna, 1978).

#### 4.3.3 Perception about Vodafone’s Services (Monthly Dash and Internet Service)

**Table 4.3.3** Perception about Vodafone’s Services

Perceived Attributes	Monthly Dash		Internet Service	
	N	%	n	%
Best	95	47.5	153	76.5
Quite Good	83	41.5	42	21

Good	19	9.5	5	2.5
Poor	3	1.5	0	0
Very Poor	0	0	0	0
Total	200	100	200	100
<b>Weighted Av. Scores</b>	<b>4.4</b>		<b>4.6</b>	

**Source: researcher's field work**

Table 4.3.3 depicts the results of the perception of customers on the above services. From the results, Vodafone's services (monthly dash and Internet services) were rated very high with a weighted average score of 4.4 and 4.6 respectively. Thus, with regards to monthly dash, 47.5% (n=95) support the fact that the monthly dashes are the best in terms of their services to customers. More so, 41% (n=83) reduced it and said it is quite good.

Nineteen (n=19) customers said they are poor while 1.5% (n=3) said it is none of these attributes, be it the best, quite good, or poor.

On the other hand, overwhelming majority 97.5 (n=195) of the survey respondents described Vodafone's internet services as the best to quite good. Only 2.5% (n=5) reduced the service to good. This is an overwhelming endorsement of the services.

#### ***4.3.4 Service Quality Influence on Customer's Decision***

**Table 4.3.4** Service Quality Influence on Customer's Decision

<b>Attribute</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	147	73.5
No	53	26.5

<b>Total</b>	<b>200</b>	<b>100</b>
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**Source: researcher's field work**

Table 4.3.4 answers the question on whether customers will choose Vodafone because of their perception of the service quality. The result indicated overwhelming majority 73.5% (n = 147) chose Vodafone because of the perception of high service quality which is being delivered by the company. This perceived service quality of Vodafone drives the customers to continue to choose, use and interact with the company.

#### **4.4 Problem with the Former Brand Name ONE TOUCH**

This section was sub divided into various parts; problems with the former brand name ONE TOUCH, impression of customers on Vodafone, the degree of importance in choosing Vodafone's services, the most appealing brand name of the organization, and whether the customers were willing to recommend by word of mouth (WOM), Vodafone to their friends/peers and the reasons for this recommendation. This was in relation to a question as to whether customers were having problems with the former name of the company.

**Table 4.4.1** Problem with the Former Brand Name ONE TOUCH

<b>Attributes</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	68	34.0
No	132	66.0
Total	200	100.0
<b>Weighted Av. Scores</b>	<b>4.3</b>	

**Source: Researcher's field work**

Table 4.4.1, indicates that majority of the customers were not having a problem with the former brand name ONE TOUCH. In other words, 66% (n=132) have no problem with the name while on the other hand 34% (n=68) had problem with the name.

**4.4.2 Reason for the Problem with Former Brand Name and Most Appealing Name**

This section attempted to find out whether the respondent had problem with the former brand name and which of the two brand names do they consider more appealing.

**Table 4.4.2** Reason for the Problem with Former Brand Name and More Appealing

Name

<b>Reasons Given</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Most Appealing Name</b>	<b>Frequency</b>	<b>Percentage</b>
It is too Local	57	28.5	One Touch	44	22
Had no Problem	143	71.5	Vodafone	156	18
<b>Total</b>	<b>200</b>	<b>100.0</b>		<b>200</b>	<b>100</b>

**Source: Researcher's field work**

The table 4.4.2 above explains the reasons customers had with the former brand name as well as their choice for most appealing brand name. In all 28.5% (n=57) argue that the name was a local name. The rest of the respondents constituting 71% (n=143) had no problem with the brand name. The customers were then asked about the most appealing

brand name, out of which 22% (n=44) gave one whilst 78% (n=156) indicated Vodafone as the most appealing brand name. This has partially fulfilled the statement that, several studies have been conducted to measure how the use of internet affects its brand (Christodoulides and de Chernatony, 2004; Nysveen, 2001), yet, few empirical findings have been made in relation to corporate image (Merrilees and Fry, 2002). However, insight into this phenomenon has implications for marketers who acknowledge that the corporate image of a business affects customers' decision-making (Porter and Claycomb, 1997).

#### **4.4.3 Publicity (Advertisement/Visibility) Impact on Customers**

The way in which the public perceives an organization, its brand, range of products, and whatever they offer is referred to as corporate image. According to Young (1996), everything a business or an organization does affect how the customer perceives it. Thus, organizations are working hard to create a good image for themselves in the eyes of, not only customers, but also shareholders and all the other stakeholders. When a business fails to manage its image properly, problems are created (Young, 1996).

The table below summarised the results whether Vodafone has created enough awareness or publicity of its products and services to the customers.

**Table 4.4.3** Publicity (Advertisement/Visibility) Impact on Customers

Attributes	Frequency	%
Very High	0	0
High	4	2
Moderate	24	12

Low	56	28
Very Low	116	58
Total	200	100
<b>Weighted Av. Scores</b>	<b>1.6</b>	

**Source:** researcher's field work

From table 4.4.3 above represents the extent to which the respondents view the company's, publicity programmes and its contribution towards improving the corporate image. From the analysis, overwhelming majority 86% (n=172) of the survey respondent accepted the fact that, enough awareness had not been created by the company to its products and services, as such publicity rating was all time low/very low. Another 12% (n=24) however said that, Vodafone as a telecom service provider has created some or moderate awareness of its products to the customers.

#### ***4.4.4 The Factors of Corporate Image that Influence Choice of Vodafone.***

**Table 4.4.4** The Factors of Corporate Image that Influence Choice of Vodafone.

<b>Attributes/Statement</b>	<b>Frequency</b>	<b>Percentage</b>
Brand Name	16	8.0
The Product	16	8.0
The Service	26	13
The Price	37	18.5
Publicity	6	3.0
All the Above	99	49.5

<b>Total</b>	<b>200</b>	<b>100</b>
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**Source: Researcher's field work**

From table 4.4.4, 8% (n=16) said they will choose a telecom service provider based on the brand name. Another 8% (n=16) said they will choose a telecom service provider based on the product offered. With regard to the service provided by the provider, 13% (n=26) said they will make their choice based on that. Again, 18.5% of the survey respondents said they will make their choice based on the price, while 3% (n=6) attributed their choice of the Vodafone to publicity

However, majority of the respondents 49.5% (n=99) indicated their preference of Vodafone to all the five factors (Price, Product, Services, Brand name and Publicity) put together as the corporate image factors in this research. This finding corroborates that of previous researchers that customer loyalty, according to Oliver, (1999), is attributed to be a customer's complete commitment made to a business entity, its products, brands, and/ or services. In the view of Morgan and Hunt (1994), this issue about customer loyalty is related to being committed to a relationship, which is explained as the continuing desire for achieving a relationship that has value.

#### ***4.4.5 Summary of Corporate Image Influence on Customer's Choice of Vodafone***

This section aggregates all the weighted average scores for the various constructs considered as corporate image

**Table 4.4.5** Summary of Corporate Image Influence on Customer's Choice of Vodafone

<b>Attributes/Statement</b>	<b>Weighted Average Scores (WAS)</b>	<b>Ranking</b>
-----------------------------	--------------------------------------	----------------

Brand Name	4.3	3
The Product	4.6	1
The Service	4.6	1
The Price	3.9	4
Publicity	1.6	5
<b>Average score of the WAS</b>	<b>3.7</b>	

**Source: Researcher's field work**

From the above table 4.4.5, all the factors, except publicity (1.6 representing WAS) attributed to corporate image in this research score above average as in the case of the weighted average scores (WAS). This can simply be interpreted that, products and services of Vodafone are the leading corporate image factors that influence consumer's choice of the company. This was followed strongly by the brand name and the price. Finally, though publicity is a factor that influences customer choice of Vodafone, it was the least factor considered and the company needs to do much more in the area of visibility and advertisement of the company.

#### **4.5 Certification of Vodafone's Service Quality by Customers**

This section analyzed the service quality certification of Vodafone by customers. The variable of "perceived service quality" will be measured using the globally acclaimed SERVQUAL model, and for the purposes of this study embodied only 1 item each, of tangibility, reliability, responsiveness, assurance and empathy.

**Table 4.5.1** Certification of Vodafone's Service Quality by Customers

SERVQUAL ATTRIBUTES	Reliability		Assurance		Tangibility		Empathy		Responsive	
	N	%	n	%	n	%	n	%	n	%
Strongly Agree	110	55	134	67	125	62.5	94	47	72	36
Agree	36	18	28	14	51	25.5	86	43	104	52
Neutral	11	5.5	3	1.5	0	0	2	1	14	7
Disagree	16	8	24	12	13	6.5	4	2	3	1.5
Strongly Disagree	15	7.5	11	5.5	11	5.5	14	7	7	3.5
Total	200	100	200	100	200	100	200	100	200	100
<b>W. Av. Scores</b>	<b>3.9</b>		<b>4.4</b>		<b>4.3</b>		<b>4.2</b>		<b>4.1</b>	

Source: Researcher's field work

The table 4.5.1 above, indicated survey responses to perception that “Vodafone has reliable internet/voice service”, “Vodafone plays no games with your credit”, “Vodafone has nice office space/outlay”, “Vodafone has customer service staff with excellent performance” and “Vodafone responses fast to service hitches” the findings indicated that, majority of the respondents strongly agreed or agreed.

Thus, 73% (n=146) indicated strongly agreed or agree for reliability, 81% (n=162) for assurance, 88% (n=176) for assurance, 90% (n=180) for empathy whiles 88% (n=176) others responded to responsiveness.

#### ***4.5.2 The Impression/perception of Customers on Vodafone's Service Quality***

From the time that SERVQUAL model has been developed, several researchers relied on it for measuring the dimensions of service quality (Shahin, 2005). This was equally adopted

since the source of the quality problem is traceable. The organization has service standards and the customer's perception can be identified as well.

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**Table 4.5.2** Impression/perception of Customers on Vodafone's Service Quality

<b>SERVQUAL ATTRIBUTES</b>	<b>Weighted Av. Scores</b>	<b>Ranking</b>
Reliability (Reliable Internet/Voice Service)	3.9	5
Assurance (Plays no Game with customers credit)	4.4	1
Tangibility (Nice Office Outlay/Space)	4.3	2
Empathy (Professionalism of Staff)	4.2	3
Responsiveness (Calls from Service Provider)	4.1	4
<b>Average score of the WAS</b>	<b>4.2</b>	

**Source: Researcher's field work**

From table 4.5.2, all the perceived service quality constructs as per this research scored above average with respect to the calculated weighted average scores of 5. The findings above indicated somewhat that quality certification by customers seem to have a strong influence on perceived service quality. The findings equally showed that differences of perception existed mainly among the dimensions of reliability, assurance, tangibility, empathy and responsiveness used for this research. This high certification of Vodafone's perceived service quality is as a result of the overwhelming endorsement of the company's prices, products and services, which represent the corporate image.

#### 4.6 Assess whether Corporate Image has any Influence towards Customer Loyalty.

The loyalty construct in this research was limited to the duration customers had hooked on with Vodafone as a telecom service provider, whether customers were willing to recommend Vodafone to family/peers by word of mouth (WOM) and how satisfied are the customers with the service delivery.

##### 4.6.1 Duration Customer had been with Vodafone

**Table 4.6.1** Duration Customer had been with Vodafone

Duration with Vodafone (Yrs)	Frequency	Percentage
Less than 1	37	18.5
1 – 3	86	43.0
3 and above	77	38.5
<b>Total</b>	<b>200</b>	<b>100</b>

**Source: Researcher's field work**

The table 4.6.1 above represents the length of time customers had continually subscribed to the Vodafone network. Overwhelmingly 81.5% (n=163) had continually had interaction with the company for more than one year. The rest of the survey respondents, 18.5% had however hooked to the Vodafone network for the period ranging from three (3) months to eleven (11) months. This has supported the definition of customer loyalty which says: “it is a consumer’s intent to stay with an organization” (Zeithaml, Berry, & Parasuraman, 1996).

#### ***4.6.2 Recommendation (WOM) of Vodafone by Customers to Peers***

**Table 4.6.2** Recommendation (WOM) of Vodafone by Customers to Peers

<b>Attributes/Statement</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly Recommend	111	55.5
Recommend	46	23
Sometimes Recommend	33	16.5
Not Recommend	10	5.0
Strongly Not Recommend	0	0
<b>Total</b>	<b>200</b>	<b>100</b>

**Source: Researcher's field work**

From table 4.6.2, above, 78.5% of the customers (n=157) indicated that they will recommend Vodafone to their friends. However, 5% of the customer (n=10) said they will not recommend the company to their friends. Moreover, 16% (n=33) said they will occasionally recommend Vodafone to their friends.

#### ***4.6.3 Reasons for the Recommendation or Not Recommendation by WOM***

Word of mouth (WOM) can be described as “an independent and honest source of information. This is because when the information comes from a friend it is considered more credible because there is no association of the person with the company or product.”

**Table 4.6.3 Reasons for the Recommendation or Not Recommendation by WOM**

<b>Attributes</b>	<b>Frequency</b>	<b>Percentage</b>
Very Satisfied	86	43.0
Satisfied	66	33.0
Somewhat Satisfied	29	14.5
Not Satisfied	9	4.5
Not Very Satisfied(Poor)	0	0
<b>Total</b>	<b>200</b>	<b>100</b>

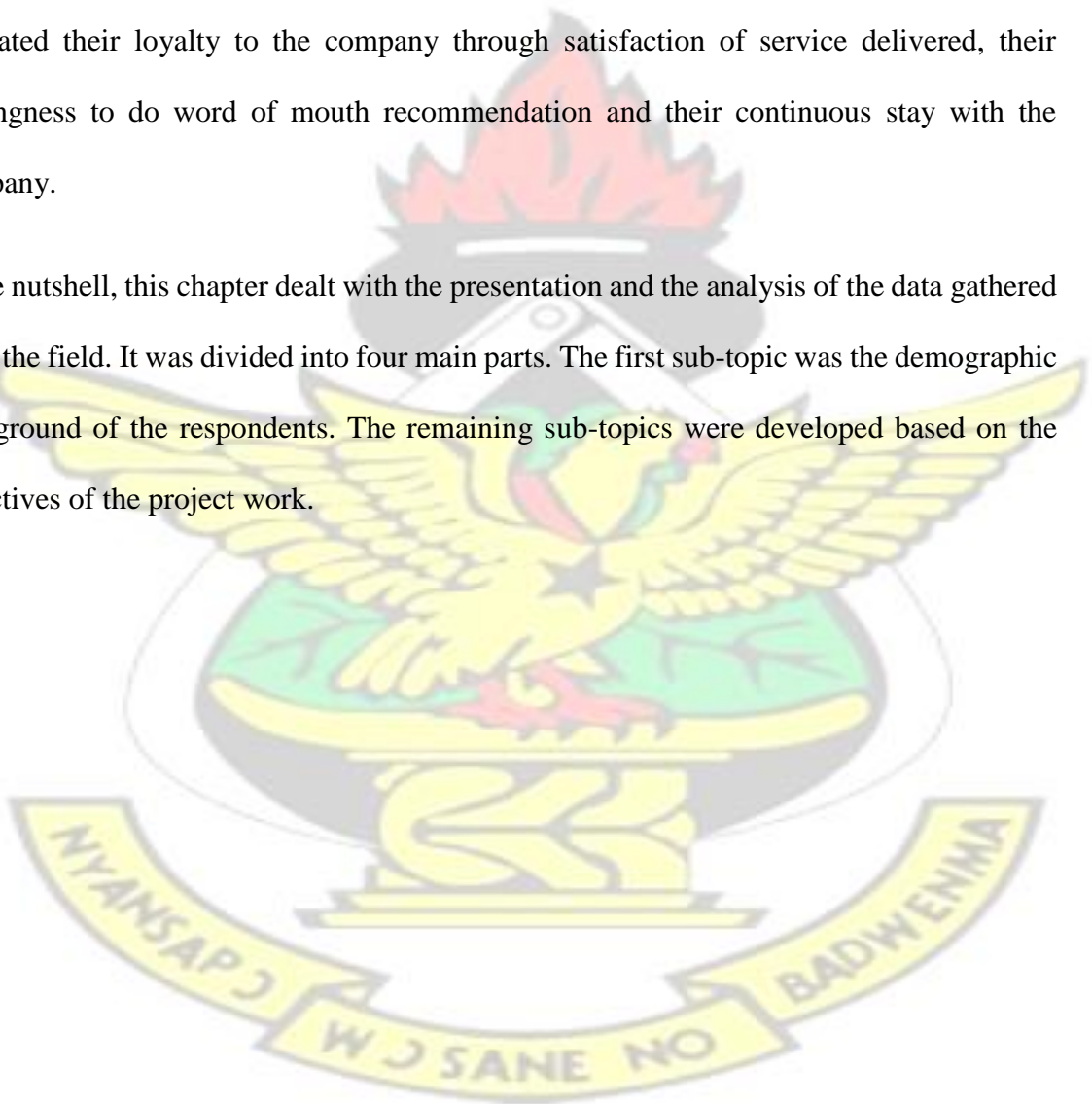
**Source: Researcher's field work**

From table 4.6.3, above 43% (n=86) of the customers gave their reasons that; they are very satisfied with the services provided. Again, 33% (n=66) of the customers also said they will recommend the organization to their friends because they are satisfied with the services provided. This simply means that majority 76.0% of the respondent will by word of mouth recommend the Vodafone services to peers because they are very satisfied or satisfied. Also 14.5%, (n=29) representing 29 respondents said they enjoy quality services. However, 4.5% (n=9) of the customers said they will not recommend the organization to their friends since it is known for poor service delivery.

#### **4.7 Summary of Corporate Image and Customer's Loyalty.**

It has been identified that whenever one hears of an organization, or a place, what comes to one's mind is known as corporate image. The summation of the society's thoughts, and impressions of an organization is its corporate image and it can be identified with the name of the organization, their physical appearance, the range of products they offer, culture, and how the quality of the organization is impressed on the customer and shared by one customer to the other as they interact with the workers of the organization. Customers also indicated their loyalty to the company through satisfaction of service delivered, their willingness to do word of mouth recommendation and their continuous stay with the company.

In the nutshell, this chapter dealt with the presentation and the analysis of the data gathered from the field. It was divided into four main parts. The first sub-topic was the demographic background of the respondents. The remaining sub-topics were developed based on the objectives of the project work.



## **CHAPTER FIVE**

## SUMMARY, RECOMMENDATIONS AND CONCLUSION

### 5.1 Introduction

Having extensively analyzed the gathered information with explanations, statistics, charts and tables in the previous chapter, this part is devoted for summary of the findings, drawn conclusions and recommendations. First, a summation of the entire results will give a simplified version of the analysis based on which implications can be made and conclusions drawn. The limitations of the study are equally stated.

### 5.2 Summary of Findings

The findings of this research reinforce other empirical studies that concluded that in order to establish customer loyalty, then the price of service, the image of the organization, and the quality of service are antecedents to the process. The result stated that, service quality of mobile telecommunication service providers is a critical factor in creating customer loyalty (Young-Ei Kim, 2010). The findings of this research corroborates that previous research which stated that service quality leads to customer loyalty in the Ghanaian mobile telecommunication market (Kim, 2010).

#### ***5.2.1 To Investigate the Direct or Indirect Influence of Corporate Image on Customers' Decision to Subscribe to Vodafone's Telecom services***

The study sought to determine whether corporate image has an influence on the customer's decision to subscribe to a telecom service, the research finding indicated that corporate image is crucial in customers purchase decision as indicated by 49.5% (n=99) of the survey respondents. This also agrees with similar studies in the literature (Lee et al,

2008;Kandampully and Suhartanto 2000 and Nguyen and LeBlanc 1998). The overall results of above average (3.6) in the weighted average scores (WAS) affirm that corporate image has a major impact on customer's decision to subscribe to Vodafone's services and with greater varying degree on how customers perceive the prices, products, services, and brand name of a company. One plausible explanation for this is how price impacted on the ratings of the various constructs that were considered as corporate image. Thus overwhelming majority of 78% (n=156) indicated that price of Vodafone products were very cheap or cheap.

### ***5.2.2 To investigate whether Corporate Image is a major factor that influences the customer's perception of Vodafone's Service Quality.***

Moreover in investigating whether corporate image has any influence on the perceived service quality of the service provider, the study equally demonstrated that customers value firm assurance, employee professionalism, quick response to service failures and are price sensitive. This is because 90% of the survey respondents (n=180) accepted that Vodafone does not play games with customers' credit ,which is a sign of service quality.Thus, when the company's marketing managers are considering and pursuing customer loyalty programmes, service price, quality products and brand awareness should be considered key in addition to new and innovative services.

### ***5.2.3 Assesses whether Corporate Image has any Influence on Customers Loyalty to Vodafone in Ghana***

The study found out that 81.5% (n=163) of the survey respondents have continuously had service interaction over one year, which is a sign of their loyalty. An overwhelming

majority of 76% (n=152) gave their reasons that; they are very satisfied or satisfied with the services provided. This result is in line with existing findings which indicated that customer satisfaction mediates on the level of customer loyalty (Caruana, 2002; Lu and Tang, 2001; Zins, 2001). This again supports the results of other previous studies that corporate image impacts customer loyalty (Andreassen and Lindestad, 1998; Kwon and Lennon, 2009; Lai et al., 2009; Kim, 2010).

This is important because as the company endeavours to reach the market with speed and with innovative products and services, one criterion that it considers particularly important, is whether the products and services are cheap and affordable. With this situation, the company is able to reach and receive the widest acceptance and use of its newly deployed services and products. The company is however slow in innovation because it specifically assesses the market potentials of the clearly defined market, introduces a particular product or service in order to cash in “like a golden goose that brings in money” for its survival. This has made the company to have a thin, but clearly defined market for its services.

### **5.3 Limitations of the Study**

Some key and notable limitations of this research work are presented below, amongst them were;

- ❖ The limitation of the study sampled customers to only the study area and that of the customers of the company.

- ❖ Also, data collected from a class or group that were considered relatively educated to suit the answering of the questionnaires.
- ❖ Time and financial limitations could not allow a comparative study to be done in order to ascertain key indicators that could cause customers to switch to other service providers by defying loyalty schemes or programmes for customers.
- ❖ Finally, the study had wanted to find out how consistent service support and after sales services is of importance to customer loyalty.

#### **5.4 Recommendations of the Study**

It is the recommendations of this research that;

- ❖ The company should advance technology and explore new product offering as its customers yearn for more value for money and high quality and innovative products and services as the case of the company's moderm has shown in the study.
- ❖ Since service quality influences levels at which customers become loyal, the company must improve its old marketing and advertising strategies towards the new paradigm of integrated marketing communication strategies.
- ❖ The managers must cultivate future strategies of good service delivery that can promote a positive corporate image through in-house training programmes to improve employees' professionalism and helpfulness, communication and language skills, service productivity, efficiency, appearance and courtesy.

- ❖ Since service quality is crucial in the process needed to create positive image, there should be customer feedback programmes from time to time that will reveal the relevance of corporate products and services offered to customers.
- ❖ Since quality certification are mostly defined by aspects of reliability, assurance, empathy, responsiveness and tangibility in the workplace, there should be consistent effort to upgrade the standards of service layout and delivery of promised services, which would most likely make customers more satisfied.

### **5.5 Conclusion of the Study**

The findings of this study is to greatly contribute to literature in terms of giving better understanding to marketing practitioners with regard to how the effect of an organization's corporate image affects customer decision to subscribe to a mobile telecommunication service in Ghana. It is thus to give a better understanding on the principal factors that influence how loyal customers can be created and maintained in a very competitive telecommunication sector of this country.

The results of this study reinforced other studies conducted which indicated that lower price for services, corporate image, the quality of service delivery and brand awareness are very strong drivers and key indicators that help create loyal customers.

Additionally, the results of this research greatly demonstrated that corporate image has a key role and relevance in the choice of telecom service provider as well as their purchase decisions and in maintaining the loyalty of customers. The findings equally revealed that customers valued high value-added service with lower priced products and services. This is the reason why successful companies always offer high value-added services with speed

and innovation and at a lower cost. This also gives the customers satisfaction in their interaction with continuous relationship with the service provider as well as to recommend the service to peers and families.

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The logo of Kenyatta University of Science and Technology (KNUST) is centered in the background. It features a yellow eagle with its wings spread, perched on a shield. Above the eagle is a black mortar and pestle with a red flame rising from it. Below the eagle is a yellow banner with the Swahili motto 'WISANE NO PALIENNA' in black capital letters. The entire logo is set against a light grey circular background.

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<http://www.articles-heaven.com/articles/?Importance-of-Corporate->

## APPENDIX I

### QUESTIONNAIRE FOR CUSTOMERS

The researcher is a student of the above institution carrying out this project as part of the requirements for the award of a degree in MBA(International Business Option). All information by respondents shall be for the purposes of this research alone and shall be treated confidential. Thank you for the time spent in answering the questionnaires.

**PLEASE DO SELECT ONLY ONE (1) OPTION BY TICKING INSIDE THE BOX**

**1) How do you perceive prices of Vodafone products?**

Very Cheap  Cheap  Affordable  Expensive  Very Expensive 2)

**What do you think about the following Vodafone products?**

**Modems**  best  Very good  good  Poor  Very poor **Phones**

best  Very good  good  Poor  Very poor

**3) How do you rate Prices of Vodafone's products?**

Very Cheap  Cheap  Affordable  Expensive  Very Expensive

**4) What is your impression about the following Vodafone's services**

**Internet services**  best  Very good  good  Poor  Very poor

**Monthly dash**  best  Very good  good  Poor  Very poor

**PLEASE INDICATE HOW STROGLY YOU AGREE OR DISAGREE WITH  
EACH STATEMENT**

**5) Vodafone has created enough awareness of its product?**

Strongly agree  Agree  Neutral  Disagree  Strongly disagree

**6) Publicity of Vodafone's products has a major influence on your general  
impression about the service quality of Vodafone?**

Strongly agree  Agree  Neutral  Disagree  Strongly disagree

**7) Did you have any problem with the former brand name 'One Touch'?**

Yes  No

**8) If yes what is your reason?.....**

**9) Comparing the brand names One Touch and 'Vodafone', which of them in  
your opinion is more appealing?**

One Touch  Vodafone

**10) On a scale of 1-5, (5 being the highest and 1 the lowest) indicate the degree of  
importance/ consideration that the following play in your decision to choose  
Vodafone as service provider. (Please mark all the boxes)**

**The Brand name of the company.....**

**The product offered .....**

The Services offered.....[ ] [ ] [ ] [ ] [ ]

The Price of the products/services..... [ ] [ ] [ ] [ ] [ ]

The publicity.....[ ] [ ] [ ] [ ] [ ] All the  
above .....[ ] [ ] [ ] [ ] [ ]

**11) Does the brand name affect your perception of service quality in any way?**

[ ] Yes [ ] No

**12) Does the price affect your perception of service quality in any way?**

[ ] Yes [ ] No

**13) Does your perception of Vodafone's service quality influence your decision to subscribe to choose Vodafone in any way?**

[ ] Yes [ ] No

**PLEASE INDICATE HOW STRONGLY YOU AGREE OR DISAGREE WITH EACH OF THESE STATEMENTS**

**14) Which of the following statement is true about Vodafone**

Vodafone staffs ensure professionalism.

[ ] Strongly agree [ ] Agree [ ] Neutral [ ] Disagree [ ] Strongly disagree

Vodafone has a reliable voice service/internet service

Strongly agree  Agree  Neutral  Disagree  Strongly disagree  
Vodafone has nice office space/outlay that makes it deliver quality service

Strongly agree  Agree  Neutral  Disagree  Strongly disagree

Vodafone plays no game with your credit which gives me much assurance

Strongly agree  Agree  Neutral  Disagree  Strongly disagree

Regulars calls from the service provider is a sign of their responsiveness

Strongly agree  Agree  Neutral  Disagree  Strongly disagree

**15) Will you recommend VODAFONE services by word of mouth (WOM) to a friend or peer?**

Strongly recommend  Recommend  Neutral  Not Recommend

Strongly Not Recommend

**16) What is your reason for the above?**

Very satisfied  satisfied  Enjoy quality services.  Dissatisfied ( ) Very dissatisfied

**17) What would highly induce your decision of a telecom service provider?**

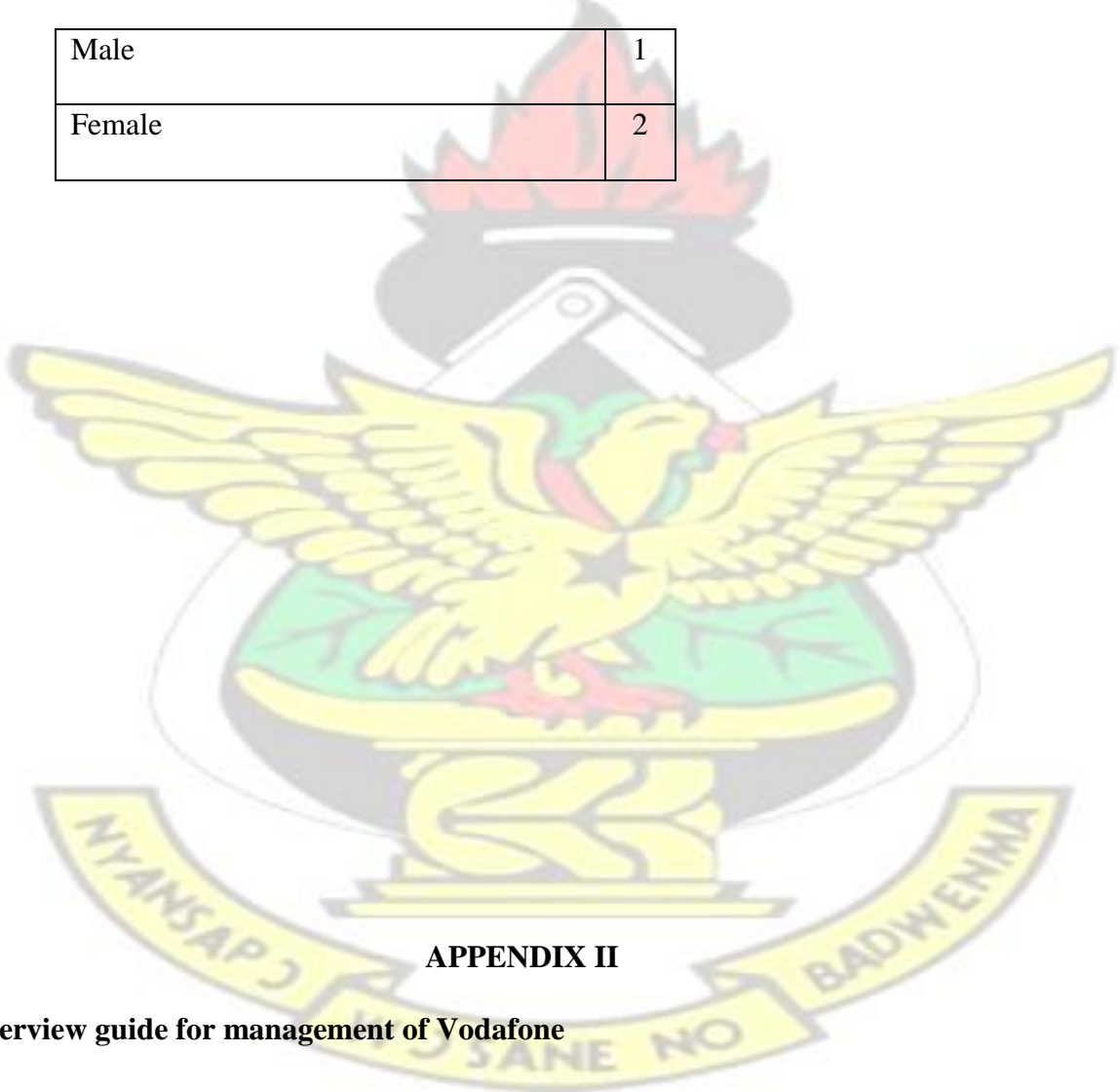
less than one year  Between 1 to 3 years  More than 3 years

**18) Could you please specify your age by ticking the number that corresponds to your age?**

Up to 19 years	1	40-44 years	6
20 – 24 years	2	45-49 years	7
25 – 29 years	3	50 years & above	8
30 – 34 years	4		
35-39 years	5		

**19) Could you please specify your gender by ticking the number to your gender?**

Male	1
Female	2



## APPENDIX II

### Interview guide for management of Vodafone

1. What are some of the activities that the company undertakes to enhance its corporate image?

2. How do the products and the services of the company create a positive image for the company?
3. What are the company's corporate social responsibilities you embark on in the society?
4. What are some of the programmes and retention schemes that create loyalty among the customers?
5. What are some of the strategic policies that affect employees at the workplace to upgrade their service delivery and professionalism?
6. Did the former name "One touch" in any way create a negative corporate image for this company and what was it?
7. What are the strong points customers considered in order to maintain their loyalty to the company?
8. How do the prices of your products and services influence patronage and keep the company in business?
9. How often does it take the company to come out with new product and services for your customers?
10. How does your service delivery influence your service quality and corporate image?

### **APPENDIX III**

#### **Interview Guide for Senior Staff of Vodafone**

1. With the competition in the market to get more subscribers, what do the new and potential customers consider important about the company before purchasing a

- SIM Card?
2. How do the customers feel about the change of name from One Touch to Vodafone?
  3. Has the change in name changed the business process and company's relationship with the customers?
  4. How do the customers react to prices of the company's products and services?
  5. What are some of the programme and activities that keeps customer loyal to the company
  6. What are some of the things (services and products) that customers enjoy most about the company?
  7. How do the customers react to the marketing and advertising activities which are intended to give the company much more visibility and improve the brand awareness?
  8. How do customers feel about the company?
  9. What is it that is being done for the employees that is to improve their interaction with the customers?
  10. What are some of the things that you would wish the company do for the customers to make them happier?

#### **APPENDIX IV**

##### **Interview guide for junior staff of Vodafone**

1. How do the customers feel about the prices of the products and services of the company?

2. What is it that customers like and appreciate so much about the company?
3. What has motivated these customers to continue to patronize the products and services of the company?
4. How do the customers feel when they hear bad things or comments about the company and what has been their reaction to these comments?
5. How do you reward your customers for their loyalty to the company?
6. Which of the products and services are mostly not liked or appreciated by the customers?
7. With the intense competition from other operators to undo one another to acquire new customers and maintain their existing customers, what are some of the factors that made customers choose Vodafone?
8. How do the customers feel about the standards of your services and what has been done by management to uplift your professionalism and service delivery at workplace.
9. How do the customers get to be aware of the new products and services that are developed and out-doored?
10. How frequent does the company come out with new and innovative products?
11. How quick do customers recover from service failures when they occur?