ADVERTISING AND SERVICE QUALITY IN THE MOBILE PHONE INDUSTRY IN KENYA

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Abstract

Purpose: The purpose of the study is to determining the effect of integrated marketing communication on service quality in the Mobile Phone Industry in Kenya.

Methodology: The methodology employed a descriptive research design. This study focused on 1050 staffs from the marketing, ICT and customer service departments of the four mobile phone network providers in Kenya. The study used stratified sampling method. The target population has 1050 staffs, therefore by use of Krejcie and Morgan’s method of determination of a sample size the eventual sample size obtained was composed of 278 respondents. Primary data was collected by means of a semi-structured questionnaire. Test-retest technique of reliability testing was employed. The data collected was analysed using descriptive statistics (measures of central tendency, regression and measures of variations) with the help of Statistical Package for Social Sciences (SPSS) version 20 to achieve the objectives of the study. The findings were presented using tables, frequencies and percentages.

Findings: The study found out that the calculated value was greater than the critical value (4.561 > 2.83) an indication that advertising, sales promotion, publicity and public relations all have a significant effect on service quality. The significance value was less than 0.05 indicating that the model was significant.

Unique contribution to theory, practice and policy: The study recommended that future studies should consider replication using different approach so as to incorporate other aspects of advertising and service quality other than ones in the study.

Keywords: Service Quality, Integrated Marketing Communication, Advertising, Communication, Perceived Service, Expected Service, Service Performance.
1.0 INTRODUCTION

There has been a sharp increase in mobile phones networks in Kenya most people own mobile phones. This was caused mainly by the drop in the price of mobile handsets making them within the reach of low incomes people. Another contributing factor was the drop in mobile phone tariffs as a result of stiff competition between the four mobile phone service providers as well as the low cost of prepaid calling cards (Muturi, 2010). The industry had four network providers: Safaricom, Airtel, Yu and Orange which were operational as at 2014 (CCK, 2014), Safaricom being the market leader with other network providers trying to outperform it by formulating all sorts of strategies like offering free calls and messages across the networks, offering cheaper services in mobile money transfer and other forms of advertisement but without much success (Ofwona & Kibera, 2009, &Odhiambo & Ogutu, 2011).

Delivering quality service is considered as an essential strategy for success and survival in Kenyan markets. It is a way of creating customer satisfaction, loyalty, and high profitability and eventually increases organizational performance. Therefore, service quality has become the primary reason that customers differentiate company from its competitors.

In Kenya, quality service provision is important to the management of the businesses. Many organizations are keen on ensuring that they provide excellent service to their customers as it determines their performance. The level of service in many sectors in Kenya is related to increase in profits, cost cutting and achieving a market share in the industry Kangi (2008). Quality service remains crucial in a competitive market in Kenya and the service providers need to deliver to ensure that the customers are satisfied. Understanding the services that need to be provided is important in ensuring that effective treatment is provided as the customer defines it. Mobile phone industry management perceives that the quality of service in Kenya has high relationship with performance of the companies and also significantly influences the industry performance (Muturi, 2010). Mobile phone companies in Kenya ought to provide quality services to their clients so as to retain them.

2.0 LITERATURE REVIEW

2.1 Service Quality Theory

The study is anchored on the service quality theory advanced by Gronroos (1982), and promulgated by Parasuraman (1985). Service quality traces its theoretical background to the pioneering works of Juran (1991), who laid the foundry works on the measurement of quality in manufacturing plants paving way to the contemporary subject of total quality management and specifically service quality. The construct of service quality as conceptualized in the literature, centers on SERVQUAL model that posits that service quality depends on the nature of the discrepancy between Expected Service (ES) and Perceived Service (PS). When ES is greater than PS, service quality is less than satisfactory, when ES is less than PS, service quality is more than satisfactory and when ES equals PS service quality equals satisfaction.

Mobile phone industries are responsive if they are prompt in service delivery, are willing to help customers and have service staffs who respond to customer requests. Smith (2007), argue that
assurance is knowledge and courtesy of employees and their ability to convey trust and confidence. The service providers must instill confidence in customers in the process of transacting, make customer feel safe and display courtesy consistently. Robledo (2001) suggests that empathy is the approachability, ease of access and effort taken to understand customers’ needs. Empathy is the individual attention given to customers including showing care and empathy in handling claims about the service. Tangibility is the physical evidence of the service, meaning physical facilities, appearance of personnel, tools or equipment used to provide the service (Suresh Chandra et al., 2002).

2.2 Relationship Marketing Theory

The roots of marketing and relationship marketing theory stem from economics. The theory was developed by Wroe Alderson (1958). Relationship marketing theory is a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a dominant focus on sales transactions (Alexander & Schouten, 2002). As a practice, relationship marketing differs from other forms of marketing in that it recognizes the long-term value of customer relationships and extends communication beyond intrusive advertising and sales promotional messages. With the growth of the internet and mobile platforms, relationship marketing has continued to evolve and move forward as technology opens more collaborative and social communication channels (Berglof & Bolton, 2008).

Relationship marketing involves a short-term arrangement where both the buyer and seller have an interest in providing a more satisfying exchange (Adebsi, 2006). This theory tries to disambiguously transcend the simple post purchase-exchange process with a customer to make more truthful and richer contact by providing a more holistic, personalized purchase, and uses the experience to create stronger ties. Relationship marketing relies upon the communication and acquisition of consumer requirements solely from existing customers in a mutually beneficial exchange usually involving permission for contact by the customer through an "opt-in system (Adebsi, 2006). With particular relevance to customer satisfaction the relative price and quality of goods and services produced or sold through a company alongside customer service generally determine the amount of sales relative to that of competing companies (Berglof & Bolton, 2008).

The theory is relevant to the study since it ensures retention of customers in the service providers through varying means and practices to ensure repeated trade from preexisting customers by satisfying requirements above those of competing companies through a mutually beneficial relationship (Albers & Straughan, 2009). The theory is centered on means of attracting customers and creating transactions rather than maintaining them, the majority usage of direct marketing used in the past is now gradually being used more alongside relationship marketing as its importance becomes more recognizable. Increased profitability associated with customer retention efforts occurs because of several factors that occur once a relationship has been established with a customer.
2.3 Hierarchy of Effects Theory

The hierarchy of effects model was created in 1961 by Lavage and Gary. This marketing communication model, suggests that there are six steps from viewing a product advertisement (advert) to product purchase. The job of the advertiser is to encourage the customer to go through the six steps and purchase the product which include; awareness, knowledge, liking, preference and purchase. Customers see many adverts each day but will only remember the brand of a tiny fraction of products. Knowledge of the customer begins when the product is advertised using various communication channels which include; the internet, retail advisors and product packaging (Smith 2007). In today’s digital world this step has become more important as consumers expect to gather product knowledge at the click of a button.

Consumers will quickly move to competitor brands if they do not get the information they want. The advertiser’s job is to ensure product information is easily available (Belch & Belch, 2003). Liking of the product involves customer willingness to buy a product after information search in the market concerning the product on offer. Preference involves consumers being loyal to a particular brand compared to competitor brands. At this stage advertisers, will want the consumer to disconnect from rival products and focus on their particular product. Advertisers want to highlight their brand's benefits and unique selling points so that the consumer can differentiate it from competitor brands. Conviction to a product is a stage of creating the customer’s desire to purchase the product in the market. Advertisers may encourage conviction by allowing consumers to test or sample the product (Buzzell, 2004).

Purchase involves is the final stage that consumers experience in the buying process. The advertiser may want the customer to purchase their product by emphasizing on the benefits of the product to the consumer (Belch and Belch, 2003). This stage needs to be simple and easy, otherwise the customer will get fed up and walk away without a purchase. For example, a variety of payment options encourages purchase whilst a complicated and slow website discourages purchases. Companies should identify new ways of increasing purchase habits among consumers. Modern technologies like online purchase and mobile phone technologies should drive competitive companies thus minimizing costs of operation (Alexander and Schouten, 2002).

2.4 Empirical Literature Review on Advertising and Service Quality

Services organization can use its advertising for either its short-term or its long term objectives, Meidan (2006). Healthcare organizations attempting to create a long-term relationship, should build up of its name by using institutional advertising, while a laboratory services organizations interested in promoting its brand name and its differentiated services would use a brand advertising policy. The institutional advertising consists of promotion of the firms’ image as a whole and promotion of the products offered, with extra emphasis on the specific firm’s name organization. The organization seeks through its marketing communications to build awareness and to impress customers looking for the best range of healthcare services, due to the former impression of laboratory services organizations as impersonal institutions with no interest in their customers as people, and of healthcare services
as abstract and quite similar the institutional advertising has become more and more important (Meidan, 2006).

Pascale and Simon (2007), studied service quality and advertising in the Australian advertising industry. The study found that attempts to identify which one of these scales would be best suited for the purpose of Australian advertising agencies. SERVPERF was found to be the best overall predictor of service quality. Discusses the study’s limitations and makes suggestions for further research in the concluding section. Similarly, Hae-Kyong and Mary (2005) studied a comparison of service quality dimensions conveyed in advertisements for service providers in the USA and Korea. The results of a content analysis of over 400 magazine advertisements suggest that advertisers may be able to standardize services advertising in magazines by type of advertising appeal and on specific service quality dimensions.

Research conducted by Lukia and Uswatun (2001), explain the advertisement effectiveness of detergent-related branded products namely Rinso, Attack and So klin had several findings which included; Advertisement significantly influence brand awareness, advertisement significantly influence confidence, advertisement significantly influence attitude, brand awareness significantly influence confidence, Brand awareness significantly influence attitude, and lastly brand awareness strengthens the relationship between advertisement message and confidence.

3.0 RESEARCH METHODOLOGY

3.1 Research Design

The study employed a descriptive research design. According to Cooper and Schindler (2006), a research design is a general blue-print for the collection, measurement and analysis of data, with the central goal of solving the research problem. It includes the outline of what the research, from writing the hypothesis and its operational application to final analysis of data.

Descriptive design affords the researcher an opportunity to capture a population’s characteristic and test hypothesis. (Cooper & Schindler 2008). This study is about determining the effect of integrated marketing communication on service quality in the Mobile Phone Industry in Kenya. It is therefore justified that descriptive design is most suited and justifiably adopted in this study. Surveys are useful in describing the characteristics of a large population. Additionally, high reliability is easy to obtain by presenting all subjects with a standardized stimulus which ensures that observer subjectivity is greatly eliminated (Mugenda & Mugenda, 2003).

3.2 Empirical Model

An empirical model was used in determining the relationship between Advertising and service quality in the Mobile Phone Industry in Kenya

The study was guided by the following regression model.

\[ Y = \beta_0 + \beta_1X_1 + \epsilon \]  \hspace{1cm} (3.1)

\[ Y = \text{Service Quality} \]
X₁ = Advertising
β₀ = constant
ε = Error term

3.3 Target Population and Sampling

The study area was in Kenya and the population for this study was staffs from the marketing, ICT and customer service departments of the four mobile phone network providers in Kenya. According to Communications Commission of Kenya (CCK, 2016) there are approximately 1050 staffs from the marketing, ICT and customer service departments of the four mobile phone network providers in Nairobi Kenya. The study used stratified sampling method. The stratified sampling method measures the overall population parameters with greater precision and ensures an extraction of a representative sample from a relatively homogenous population (Kothari, 2004). On the other hand, the proportionate stratification ensures that the sample size of each stratum, which is represented in various departments, is proportionate to the population size of the stratum (Kothari, 2004). At 73.02% confidence level, a sample size of 278 respondents out of the targeted population of 1050 was selected.

3.4 Validity and Reliability

Content validity was conducted to measure of the degree to which data collected using a certain instrument represent a specific domain of indicators or content of a particular subject Mugenda and Mugenda (2003). Test-retest technique of reliability testing was employed to assess the extent to which a pilot questionnaire tests observation produced the same results. The researcher used internal consistency measure known as Cronbach’s Alpha (α) which indicates the extent to which a set of measurement items. Cronbach’s Alpha is a reliability coefficient that indicates how well items in a set are positively correlated to one another (Sekaran, 2003). As rule of thumb, reliability value of 0.7 and above is recommended for most researches to denote the research instrument as reliable (Sekaran, 2003, Robert, 2006). The study therefore used a cutoff point coefficient of 0.7 and above as a strong measure of reliability. The cronbach’s alpha for Advertising was 0.782

3.5 Data Analysis

3.5.1 Quantitative Data Analysis

Quantitative data were analyzed using both descriptive and inferential statistics in Statistical Package for Social Sciences (SPSS) Version 22.0 software. Descriptive statistics specifically measures central tendency and dispersion and were calculated to profile the respondents and study variables. Pearson’s Product Moment Correlation (r) was derived to show the nature and strength of the relationships
4.0 FINDINGS AND DISCUSSIONS

4.1 Descriptive Statistics

From the research findings, majority of the respondents strongly agreed that; long-term relationship, in the company are buildup of its name by using institutional advertising (M=4.31, SD=0.26); advertising consists of promotion of the firms’ image as a whole and promotion of the products offered (M=4.28, SD=0.24); the organization uses its advertising for either its short-term or its long term objectives (M=4.26, SD=0.12). The findings are in line with Meidan (2006), who found that the institutional advertising consists of promotion of the firms’ image as a whole and promotion of the products offered, with extra emphasis on the specific firm’s name organization. The organizations seeks through its marketing communications to build awareness and to impress customers looking for the best range of services. (Refer to Table 2).

The respondents further agreed that communication is directed towards target audiences and transmitted through various mass media (M=4.21, SD=0.22); communication promotes and present a product, services or idea to customers (M=4.09, SD=0.23); and that it is impersonal and communicates with large numbers of people through paid media channels (M=4.05, SD=0.18). The findings concur with Pascale and Simon (2007), who found that in attempts to identify which one of these scales would be best suited for the purpose of Australian advertising agencies. SERVPERF was found to be the best overall predictor of service quality.

4.2 Inferential Statistics Analysis

The section presented the findings based on the research hypothesis conducted on the effects of integrated marketing communication advertising and service quality in the mobile phone industry in Kenya.

4.3 Hypotheses Testing

In order to establish the effect of advertising on service quality in the Mobile Phone Industry in Kenya the following hypothesis was tested.

4.3.1 Advertising has no effect on service quality in the Mobile Phone Industry in Kenya

Table 2 indicates the hypothesis had an average adjusted coefficient of determination (R^2) of 0.758 which implied that 75.8% of the variations in service quality are explained by the independent variables understudy advertising 24.2% of the variations in service quality are not explained by the independent variables under study. The findings are in line with Lukia and Uswatun (2001), who found that advertisement significantly influence brand awareness advertisement significantly influence confidence, advertisement significantly influence attitude, brand awareness significantly influence confidence, Brand awareness significantly influence attitude, and lastly brand awareness strengthens the relationship between advertisement message and confidence.

Table 2 the hypothesis statistics, the study established that the hypothesis had a significance level of 0.1% which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The calculated value was
greater than the critical value (4.561 > 2.83) an indication that advertising, sales promotion, publicity and public relations all have a significant effect on service quality. The significance value was less than 0.05 indicating that the model was significant.

(c) Significance of the Regression of Advertising and Service Quality

Table 2 indicates that the t-values are 15.303 with p-values being 0.0210 which is less than 0.05 hence it was concluded that the model was statistically significant. The model was defined as $Y = 1.584 + 0.782X_1 + e$ indicating a unit change in advertising would lead to an increase in service quality by a factor of (0.782, p-0.021). (Refer Table 1)

**Table 1: Integrated Marketing Communication and Service Quality**

<table>
<thead>
<tr>
<th>Goodness of fit</th>
<th>Test statistics</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted R-squared</td>
<td>0.724</td>
<td></td>
</tr>
<tr>
<td>F-statistics (4.561)</td>
<td>75.8</td>
<td>0.001</td>
</tr>
<tr>
<td>Dependent variable = Service Quality</td>
<td>Linear regression results</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>t-statistics</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>0.782</td>
<td>15.303</td>
</tr>
<tr>
<td>Constant</td>
<td>1.584</td>
<td>4.9284</td>
</tr>
</tbody>
</table>

*Source: (Survey Data, 2017)*

**Table 2: Advertising**

<table>
<thead>
<tr>
<th>Advertising</th>
<th>Mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication is directed towards target audiences and transmitted through various mass media</td>
<td>4.21</td>
<td>0.22</td>
</tr>
<tr>
<td>Communication promotes and present a product, services or idea to customers</td>
<td>4.09</td>
<td>0.23</td>
</tr>
<tr>
<td>It is impersonal and communicates with large numbers of people through paid media channels</td>
<td>4.05</td>
<td>0.18</td>
</tr>
<tr>
<td>The organization uses its advertising for either its short-term or its long term objectives</td>
<td>4.26</td>
<td>0.12</td>
</tr>
<tr>
<td>Long-term relationship, in the company are buildup of its name by using institutional advertising</td>
<td>4.31</td>
<td>0.26</td>
</tr>
<tr>
<td>Advertising consists of promotion of the firms’ image as a whole and promotion of the products offered</td>
<td>4.28</td>
<td>0.24</td>
</tr>
</tbody>
</table>

*Source: (Survey Data, 2017)*
Table 3: Response Rate

<table>
<thead>
<tr>
<th>Questionnaires Administered</th>
<th>Questionnaires filled &amp; Returned</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>278</td>
<td>203</td>
</tr>
</tbody>
</table>

*Source: (Survey Data, 2017)*

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary
This study has provided a comprehensive review of effect of integrated marketing communication on service quality in the Mobile Phone Industry in Kenya.

5.2 Conclusions
Based on the findings of this study, the study concluded that advertising influences service quality in the Mobile Phone Industry in Kenya in a positive way. The study further concluded that communication is directed towards target audiences and transmitted through various mass media in Kenya and promotes and presents a product.

5.3 Recommendations
The study focused on effect of integrated marketing communication on service quality in the Mobile Phone Industry in Kenya. More studies should be done on the influence of integrated marketing communication application on performance of Mobile Phone Industry in Kenya.

Studies should be done on challenges facing integrated marketing communication in telecommunication Industry in Kenya.

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