

Customer brand loyalty in the Telecommunication sector in Uganda.

BY

ATUKUNDA JOAN

REG NO: 2014/HD06/1827U

MASTER OF BUSINESS ADMINISTRATION

MAKERERE UNIVERSITY

SUPERVISOR'S NAME: DR. SARAH BIMBONA

**A RESEARCH PROJECT SUBMITTED TO THE GRADUATE SCHOOL
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE AWARD OF MASTER OF BUSINESS ADMINISTRATION
OF MAKERERE UNIVERSITY.**

SEPTEMBER, 2016

Abstract

The telecommunication sector in Uganda has evolved over the years from having only one service provider (Celtel, now Airtel) to having more than five service providers. This has led customers to consider using alternative telecommunication networks from the ones that they previously had. A study was carried out to investigate the level of customer brand loyalty. This is measured based on: customer trust, customer satisfaction, good will, perceived quality and switching costs. The research limited itself to the current status of customer brand loyalty in the telecommunication sector, tools used in the telecommunication sector to achieve customer brand loyalty and the challenges that affect customer brand loyalty in the telecommunication sector.

The study used cross sectional study design. Questionnaires were randomly administered to 200 customers of the five leading telecommunication service providers: MTN Uganda, Airtel, Africell, Vodafone and Uganda Telecom.

The study found that on average, customers are not sure of the trust that they have in their telecommunication companies, because the mean response was 3 (meaning “not sure”) for both questions. However, customers on average agreed that they would continue using the services of their telecommunication service providers if a better service provider entered the market. A comparison of the first telecommunication service provider, also occasionally referred to as SIM card in the study and the current most used telecommunication service provider (SIM card) for the customers revealed that all the mobile networks have a decline when the comparison was done. These findings imply that although majority of the customers would not change their mobile telecommunication service provider at the introduction of a new service provider, they would still consider acquiring a different SIM card, belonging to a different service provider.

The study revealed that the customer brand loyalty in the telecommunication sector in Uganda exists but to a small extent. This was noted based on the fact that majority of the customers do not have the same SIM cards that they first used. The study recommends that telecommunication companies keep up-to-date with their customers’ tastes and preferences. It also recommends that customers’ trust in service providers respecting their privacy should be strengthened by resolving the challenge of the customers receiving unsolicited messages from service providers.