

Effect of Brand Awareness on Customer Retention in the Mobile Telecommunication Industry in Kenya: A Case of Airtel Kenya

^{*1}George Onyango Agumba, ²Dr. Caleb Kirui, ³Dr. Patrick Gudda

^{1,2} Kenyatta University, P.O Box 828-00605 Uthiru-Kenya

³Maasai Mara University

Email Address: ^{*1}agumbag@yahoo.com, ²cal.kirui@gmail.com, ³pgudda9@gmail.com

Abstract: The stiff competition for customers and increase in buyers awareness has made buyers want to pay for their recognizable and constructive brand. Therefore, a strong brand awareness has become the most competitive advantage in attracting and retaining customers. Brand awareness include advertising, personal selling, sale promotion and public relation. This study sought to determine the effect of brand awareness on customer retention in Airtel mobile company in Kenya. The aspect of brand awareness that were examined include brand visibility and promotion tools on customer retention in Airtel Kenya mobile company. The study adopted a descriptive survey design. Questionnaires were used to collect the data where 334 respondents completely filled them. Descriptive and content analysis techniques were used to analyze the data. The study revealed that Airtel mobile company has promoted its brand by measures such as quick and efficient services. The company utilises a number of promotional mix to build a strong brand awareness among its customers. The most used promotional tools include sale promotion, advertisement in television and improvement of tarriff rate. The study further revealed that Airtel Kenya has benefited from promoting its brand that has become popular among potential customers. The study recommend that Airtel mobile company should intensify its promotional tool strategies such as being involved in charitable activities so that customers can see that the company caters for their welfare rather than making profit only.

Keywords: Brand Awareness, Promotional Tools, Customer Retention, Brand visibility, Airtel Kenya.

1. INTRODUCTION

The demand for mobile phones in East Africa in the last few years has been more than most people expected and continues to expand (Kibeth, 2013). The use of phones has already become part of African culture. This has led to stiff competition within the mobile companies operators. Therefore, customer retention has become a competitive advantage for mobile operating companies. According to Duffy (2013) retaining the current customer base is much more attractive than searching for new customers. Ghavami and Olyaei (2011) content that it takes five times more money to acquire a new customer than to get an existing customer to make a new purchase. On the other hand the increase in buyer awareness has made buyers want to pay for their recognizable and constructive brand (Koniewski, 2012). Thus, it is important for businesses to create attraction in their brands to be in better position than their competitors (Yaseen & Tahira, 2012).

Brands are a company's most valuable assets adding both economic and strategic value to its proprietors (Malik, Ghafoor & Iqbal, 2013). Koniewski (2012) contents that despite consumers being familiar and willing to buy the product, one factor that influences the purchase decision is brand awareness. Whenever a customer is willing to buy a good or service the first brand name that clicks in his mind shows that this product has higher brand awareness. On the same note Homburg, Klarmann and Schmitt (2010) argue that higher level of brand awareness can influence the purchase decision

of the consumers. This is one of the reason why a product having higher level of brand awareness will result in higher share in market and superior evaluations of their quality (Ahmad & Naveed , 2014).

Zimmerman and Blythe (2013) define brand awareness as the customers' ability to recall and recognize the brand under different conditions and link to the brand name, logo and jingles among others to certain associations in memory or the extent to which a brand is recognized by potential customers and is correctly associated with a particular product. While Malik, Ghafoor and Iqbal (2013) define brand awareness as the probability that consumers are familiar about the availability and accessibility of a company's product and service. The level of awareness can range from mere recognition to recall to top of mind to dominant (Ojeleye, 2016). It is very important for a company to build a strong brand awareness to influence their customer purchase choices. This is done through advertising, personal selling, sale promotion and public relation (Khan, 2012).

Brand awareness, as one of the fundamental dimensions of brand equity, is often considered to be a prerequisite of consumers' buying decision, as it represents the main factor for including a brand in the consideration set (Ovidiu, 2013). Brand awareness can also influence consumers' perceived risk assessment and their confidence in the purchase decision, due to familiarity with the brand and its characteristics. On the other hand, brand awareness can be depicted into at least two facets unaided (brand recall) and aided (brand recognition) each of the two facets having its more or less effective influence on buying decision and perceived risk assessment (Ovidiu, 2013).

Airtel Kenya was the first mobile provider in Kenya, however, the company has not been able to retain its customers (Kapai, 2015). Additionally, Airtel has over the years kept rebranding hence this has led to consumers losing track of branding revolutions within the company. A recent study by Lee, Lee and Babin (2013), indicate that an understanding of the drivers of brand choice by customers in the telecommunication industry is not clear. The major challenge confronting all the mobile operators in Kenya, is the execution of various marketing initiatives that would not only lead to attraction of new subscribers, but retaining existing ones who would then become loyal customers. The current study attempted to investigate the effect of brand awareness with two specific objectives of brand visibility and promotional mix on customer retention in airtel mobile company in Kenya.

2. RESEARCH METHODOLOGY

The study adopted descriptive survey design since it intended to gather quantitative and qualitative data that described the effect of brand awareness on customer retention. The target population of this study was 5000 employees of Airtel mobile company in Kenya (Airtel Kenya, 2016). Target population included senior management employees, the middle and level staff. A sample of the 357 respondents was drawn from the 5000 employees of Airtel mobile company Head Office in Nairobi to be studied using stratified random sampling. The study used questionnaires to collect data. The qualitative data was collected by use of a questionnaire made up of open-ended questions, which enabled respondents to freely express themselves in detail. On the other hand quantitative data was collected by use of a questionnaire composed of close-ended questions. The Statistical Package for Social Sciences (SPSS) version 22 was used in data analysis due to its ability to analyze both quantitative and qualitative data.

3. RESULTS

Brand visibility:

The study sought to find out whether Airtel mobile company in Kenya utilizes brand visibility practices to promote its brand and whether those practices were yielding result. Brand visibility practices were evaluated based on items in 5 likert scale where 1= strongly disagree 2 = disagree 3 = uncertain 4= agree 5 = strongly agree. The table below present result on the influence of brand visibility on customer retention as per the participants responses.

Table 3.1 Brand Visibility

Rank	Statement	Number of respondents	Mean
1	The company promotes its brand through various measures such as quick and efficient services	334	3.91
2	The company has a brand for its products that differentiates it from other mobile company	334	3.87
3	Airtel outdoor branding influence customer retention	334	3.78

4	Brand Awareness influences customer retention at Airtel Mobile Company	334	3.53
5	Airtel brand is widely known compared to other mobile company brands	334	3.13

The result on brand visibility in table 3.1 above shows that Airtel mobile company has promoted its brand to its customer. The company brand is unique as it differentiate its products and services from other competitors in the market. The result of whether company promotes its brand through various measures such as quick and efficient services had a mean of 3.91 out of 5 revealing that majority of respondents were in agreement with the statement. Moreover, the company recognizes the importance of promoting brand awareness to its customers. This is in line with Koniewski (2012) who contents that despite consumers being familiar and willing to buy the product, one factor that influences the purchase decision is brand awareness. Dinnie (2015) add that Brand awareness can be improved through various measures such as quick and efficient service, just in time, quality products, continuous improvement and wide distribution network. On the same note Kotler and Keller (2006) argue that brand awareness lead to brand loyalty and lessen marketing expenditure because the brand loyal customers promote the brand positively resulting to retention of customers. This is a concept Airtel mobile company has embraced and it seems to yield result because for the result whether brand awareness is likely to influence customer retention at Airtel Mobile Company, had a mean of 3.53 out of 5, an indication that majority of respondents were in agreement with the statement.

The company is now benefiting from promoting its brand that has become popular among potential customers. Earlier study by Kapai (2015) on how to retain customers in Airtel mobile company in Kenya revealed that rebranding which was used by Airtel did not lead to customer retention. However, the company has now managed to establish a stable brand that has gained popularity.

Promotional Tools Used to Create Strong Airtel Brand Awareness:

The study sought to determine whether Airtel mobile company utilises promotional tools to promote brand awareness and to persuade potential customer purchase her products and services. Additionally, the researcher also investigated whether the promotional tools used by the company were yielding positive result in retaining customers. The table below present quantitative result on the influence of promotional tools on customer retention as per the participants responses.

Table 3.2 Promotional Tools

Rank	Statement	Number of respondents	Mean
1	The company employs effective marketing strategies to attract its customers	334	3.25
2	Airtel Kenya brand awareness leads to new customer referrals which influences customer retention	334	3.14
3	Airtel mobile company sales promotion activities influence customer retention	334	3.08
4	Public Relations Management of Airtel mobile company affect customer retention	334	1.67
5	Is Airtel Mobile Company involvement in charitable activities likely influence customer retention	334	1.22

The findings in table 3.2 revealed that Airtel mobile company utilizes a number of promotional tools to persuade potential customers to buy their products and to build a strong brand awareness. For instance result whether the company employs effective marketing strategies to attract its customers showed had a mean of 3.25 out of 5 an indication that majority of respondents were in agreement with the statement. The company oftenly use sales promotion where they employs youth who are trained on the company product then deployed in a particular area where they engage potential customers directly by explaining to them benefits of the products. Lake (2015) stresses that promotional mix should be designed in a way that it will inform the target market about the values and benefits an organization’s products or service offers. This helps the organization to gain leverage and then use it well to gain a competitive advantage.

Apart from promotional sales, Airtel company in Kenya uses advertisement in television and introduction of new tariff rates to lure more customers buy their products. The other preferred promotion was referrals by new customers and hence the need for investing in technology as once the new customer was delighted then it would be easier to refer others to the buy Airtel products. The least utilized promotional activity was involvement in charitable activities.

4. CONCLUSION

The company has managed to popularize its brand efficiently. This has resulted to more sale to their potential customers due to increased brand awareness. To enhance brand awareness Airtel Kenya uses a number of promotional mix to attract new customers and retain previous customers. The company employs youth for sale promotions who engage their customer's directly in persuading them benefit of buying Airtel products. They also reduce their tariff rate and ensures advertisement in television is adequately done to reach their customers. The use of these promotional mix has increased brand awareness, customer retention and profitability of the company.

REFERENCES

- [1] Ahmad, A., & Naveed, A. (2014). The Study of Brand Credibility and Brand Awareness As Positive Predictors For Brand Loyalty. *Arabian Journal of Business and Management Review*, 2(12), 22-28.
- [2] Airtel Kenya. (2016). *Airtel Kenya CEO talks work, telco dominance and love for tennis*. Retrieved from <http://www.capitalfm.co.ke/business/2015/05/airtel-kenya-ceo-talks-work-telco-dominance-and-love-for-tennis/>
- [3] Dinnie, K. (2015). *Nation Branding: Concepts, Issues, Practice*. Routledge.
- [4] Duffy, D. (2013). Commentary- Internal and external factors which affect customer loyalty. *Journal of Consumer Marketing*, 20(5), 480-485.
- [5] Ghavami, A., & Olyaei, A. (2011). *The Impact of CRM on Customer Retention*. Retrieved 2016, from <http://epubl.ltu.se/1653-0187/2006/02/LTU-PB-EX-0602-SE.pdf>
- [6] Homburg, C., Klarmann, M., & Schmitt, J. (2010). Brand awareness in business markets: When is it related to firm performance? *International Journal of Research in Marketing*, 27, 201–212.
- [7] Kapai, R. (2015). Determinants of Customer Retention in the Mobile Telecommunication Industry in Kenya: A case of Airtel Kenya. *The Strategic Journal of Business and Change Management*, 2(2), 1621 – 1672. Retrieved from <http://www.strategicjournals.com/index.php/journal/article/viewFile/185/197>
- [8] Khan, S. (2012). Contribution of Brand Awareness and Brand Characteristics towards Customer Loyalty (A Study of Milk Industry of Peshawar Pakistan). *Journal of Asian Business Strategy*, 2(8), 170-176.
- [9] Kibeth, A. W. (2013). *Relationship Marketing and Customer Loyalty in Mobile Telecommunication Industry In Nairobi*. University of Nairobi.
- [10] Koniewski, M. (2012). Brand Awareness and Customer Loyalty. *PMR Research*, 1-5. Retrieved from www.pmrpublications.com
- [11] Kotler, P., & Keller, K. (2006). *Marketing Management*. New Jersey: Prentice Hall.
- [12] Lake, L. (2015, December 31). *What is Promotional Mix and How Does it Impact Your Marketing?* Retrieved from [What is Promotional Mix and How Does it Impact Your Marketing?](http://www.researchpublish.com/what-is-promotional-mix-and-how-does-it-impact-your-marketing/)
- [13] Lee, Y. K., Lee, S. k., & Babin, B. J. (2013). Festivalscapes and patrons' emotions, satisfaction, and loyalty. *Journal of Business Research*, 61(1), 56-64.
- [14] Ojeleye, C. (2016). The Impact of Service Quality and Brand Awareness on Brand Loyalty: (A Study of Telecommunication Companies Nigeria). *International Journal of Recent Research in Commerce Economics and Management*, 3(3), 18-25. Retrieved from www.paperpublications.org
- [15] Ovidiu, M. i. (2013). The Importance of Brand Awareness in Consumers' Buying Decision and Perceived Risk Assessment. *Babeş-Bolyai University of Cluj-Napoca*, 102-109.
- [16] Yaseen, N., & Tahira, M. (2012). Impact of Brand Awareness, Perceived Quality and Customer Loyalty on Brand Profitability and Purchase Intention: A Resellers' View. *Interdisciplinary Journal of Contemporary Research in Business*, 3(8), 833-839.
- [17] Zimmerman, A., & Blythe, J. (2013). *Business to Business Marketing Management: A Global Perspective*. London and New York: Routledge.