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Effects of Customer Experience Management on customer churn in the Telco industry in Kenya

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EFFECTS OF CUSTOMER EXPERIENCE MANAGEMENT ON CUSTOMER CHURN IN THE TELCO INDUSTRY IN KENYA

BY

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Nairobi, Kenya

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DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other university. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the thesis itself.

Ms. Edna Thama Mwaura

Signed: _____ Dated: _____

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ABSTRACT

The primary objective of the study was to examine the effects of customer experience management on customer churn in the Telco Industry in Kenya. The specific objectives were: to determine the effect of social environment on mitigation of customer churn in the Telco Industry, to examine the effects of service interface on mitigation of customer churn in the Telco Industry, to ascertain the effect of retail environment on mitigation of customer churn in the Telco Industry and to determine the effect of price on mitigation of customer churn in the Telco Industry. The study adopted a survey based descriptive design. The study sample size was 195 staff from the Telco Company's selected using stratified random sampling. Data was analyzed using descriptive and inferential statistics correlation analysis and multiple regression analysis. The results were presented using percentages, graphs and tabulations. The study found that social environment had significant positive relationship with mitigation of customer churn in the Telco Industry; service interface had significant positive relationship with mitigation of customer churn in the Telco Industry; retail atmosphere had significant positive relationship with mitigation of customer churn in the Telco Industry and price had significant negative relationship with mitigation of customer churn in the Telco Industry. The study recommends management of Telco industries to have in place diffusion-process that exploits social influences affecting customer churn; management of the Telco industries should improve the quality of their customer interface and this includes customization, interaction, convenience and character, and this will contribute significantly in improving loyalty. The study also recommends the management of the Telco companies to improve the atmosphere of their companies by improving the design of their offices ensuring that it's appealing to its customers. The study also recommends the management of the companies to develop plans that are price friendly to its customers; they can also have regular promotions that will motivate their costumers to stick to their brand.

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ABBREVIATIONS/ ACRONYMS

B2B   Business to Business

B2C   Business-to-Customer

CAK   Communications Authority of Kenya

CEM   Customer Experience Management

CNK   Customer Needs Knowledge

ICT   Information and Communications Technology

NWU   North-West University

SPA   Spreading Activation

TV   Television

US   United States

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DEDICATION

To God almighty for his unending favor and grace.

To my dear parents, Gabriel Mwaura Gitau and Ledia Gathoni Mwaura, whose support, guidance and patience is abundant and valued. You have constantly inspired me and showered me with love - I thank God for you.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The customer is the foundation of any business' success. Therefore, placing the customer at the heart of the business is the central tenet of value marketing. Marketing is about generating products and services which are rooted in the needs of the customer rather than the need of the company to sell its products (Peter & Olson, 2014). In order to be 'in tune' with the needs of customers, rather than second guessing, a company must ensure that the voice of the customer is integral to the company strategy, and that the customer is considered and discussed at boardroom level and not just by the customer-facing staff and departments; a move toward customer centricity (Blocker, 2012).

According to (Clatworthy, 2012), the company and its products have relevance to customer's life such that customer interaction occur at various touch points and the idea of CEM is to integrate elements of experiences at these touch points. CEM is actually related with and leads to brand preference and sales. Customers value good experiences and CEM helps to record, integrate and analyse experiences which serve as a useful marketing tool for generating satisfaction and loyalty amongst customers. It also results in organizations looking internally as well as externally. Customers are interacting with employees of a firm and these interactions affect the perception of customers. Motivated, knowledgeable and helpful employees provide experiential value to customer and this can serve as a management tool to a firm. For most firms, focus is on customer purchasing behaviour rather than customer emotions and thus they fail to utilize brand experiences as inducements (Meyer & Schwager, 2014).

1.1.1 Customer Experience Management

Customer experience management (CEM) involves managing a customer's experience with a product or service strategically. The focus of customer relationship management (CEM) is recording of transactions whereas CEM focuses on building relationships with customer by focusing on experiences which customers have in course of their interaction with the firm. CEM takes customer relationship forward (Shaw, 2014). Customer emotions need to be

managed effectively to gain and retain customers. Management of customer emotions is important as customer emotions drive and destroy value in an organization and contribute to relationship dissolution. Most importantly, most relationship dissolutions are based on intuition (Helm, 2015). In today's stiff competition merely having a satisfied customer is not enough but strong loyalty can only be achieved if firms aim for higher degree of customer satisfaction (Lilja & Wiklund, 2016). The company should therefore consider the important factors of customer experience.

Social environment is a component of customer experience. Social environment is inclusive of interaction with other customers in retail setting and is also inclusive of interaction with other customers in online applications, platforms and media which aim to facilitate sharing of content. Social media network is important because there is interaction between consumer and community and this result in immediate and interactive communication (Miller, Fabian & Lin 2014). Ideally, companies expect a customer to interact with them regarding product or service concern however, in reality customers usually rely on peer to peer interaction as a source for company information. This is also the most trusted source. Since peer to peer interactions are one of the major influencers, companies should try to cultivate peer to peer communities. This helps to get feedback and let's satisfied customers share positive feedback. Also, negative feedback helps companies address issues which might otherwise go unaddressed (Mandell, 2012).

Customers also licit a sense of comfort from service encounters and overall comfort positively impacts both overall quality and customer satisfaction, and this ultimately leads to positive word-of-mouth (Lloyd & Luk, 2011). To provide better customer experiences companies try to incorporate such elements in the service design. The application to a multimedia service highlights how CEM can facilitate the work of multidisciplinary design teams by providing insights to service design and by shifting focus from single experience elements to their orchestration (Teixeira *et al,* 2012).

Retail environment is also an important contributor to shaping the customer experience. Swanson and Davis (2013) pointed out that when customers find contact employees more responsible for the experience, what is delivered is most important for evaluation of service quality. When management is thought to be responsible, how service is delivered becomes

important. When responsibility is perceived to be shared between contact employees and management, the retail environment may play a larger role in influencing consumer's satisfaction with the service experience. Customer experience is profoundly affected by physical evidence particularly the services cape. This is inclusive of experiences which are spectacular (e.g.travel adventure), routine (e.g. bus ride) or meaningful (e.g. weddings). In all the cases, the customers would find experiences satisfying, meaningful and emotionally connecting if the physical evidence delivered by the company positively influences experience flow (Zeithaml, Bitner & Gremler, 2016).

Further, although reduced prices are incentives for purchase, there is a direct relation between customer experience and pricing effects. When companies focus only on reducing costs to support lower prices and show little or no sensitivity to experiences which customers have, they may actually be decreasing the value of their offerings (Palmer, 2010). The importance of sensory experience cannot be underestimated. If customer if burdened with factors like long waiting lines, disorganized store, then this can outweigh customer's consideration for price.

1.1.2 Customer Churn

Customer churn means switching of a customer from one provider to another over a given period of time. When an existing customer leaves a provider for another, he is referred to as voluntary churner while involuntary churner is one who the provider disconnects due to non-payment of costs (Mwangi, 2014). Laudon, (2012) defined customer churn as the number of consumer who stop purchasing or consuming a product or services from a particular firm. Bhambri (2013) noted that customer churns also known as customer defection or consumer attrition, is loosely defined as the rate at which a business is losing consumers or revenue through customer defection. Shifting from one service provider to the next competitor in the market is a key challenge in highly competitive markets and is very much observed in the telecommunication sector. Churn management is a term used by the telecommunication companies to retain profitable customers. Kentrias (2011) refers to churn management in the telecommunication industry as the procedure of retaining the most important customers for the company. Loudon and Churn rate is an essential indicator of growth or decline in any company's consumer base.

Customer churn is a persistent global phenomenon and a challenge on both the cost and revenue sides of a business. Even highly developed countries like USA has not been spared the scourge of customer churn, (Lemmens & Christophe, 2013) in their study Managing Churn to Maximize Profits in the USA proposed a predictive model that accounts for all these churn inducing elements. They noted that Customer churn is a widespread phenomenon that threatens firms across a variety of industries with dramatic financial consequences. A recent report estimated 20% annual churn rates for credit cards in the USA, and 20%- 38% annual churn rate for mobile phone carriers in Europe (Bobbier, 2013).

In Ghana, Ballings and Poel (2012) noted that the propensity for a customer to churn is 1.03 times which is extremely high, also noted that Data Mining Techniques customer service calls, day call and international calls were the major characteristics exhibited by the churners. A survey by Banda (2016) in Zambia`s telecommunication industry showed that on average, Mobile Network Operators (MNOs) on the Zambian telecommunication sector experience annual churn rates between 3.73 and 9.14 percent. Churn rate has the potential to soar to about 86 percent within the same period if MNOs do not take action.

In Kenya Kirui (2013) did a review on predicting customer churn in mobile telephony industry using probabilistic classifiers in data mining. The study revealed that customer churn in the mobile telephony industry is a continuous problem owing to stiff competition, new technologies, low switching costs, deregulation by governments, among other factors. The findings were that customer churn prediction is plays a central role in churn management in mobile telephony industry and to reduce the various costs associated with customer churn, it is imperative that mobile service providers deploy churn predictive models that can reliably identify customers who are about to leave, then intervention strategies should be put in place.

1.1.3 Telco Sector

Telecommunication is the world's biggest computer, connected together by complicated network, telephone lines, wireless mobile phones and internet linked PCs. It enables connection with anyone anywhere in the world and also conducts business internationally or nationally (Haenlein, 2013). Telco industries concentrate not only on adding more customers to their base they also think of customer retention. For them to be able to sustain growth in the industry they have to find a way of sustaining them. And also with this age of information

where customers have it on the go, they are well informed of better prices and products from other firms that they might suit their needs. For the telecommunication industries to be able to handle these they need to be able to understand customer behavior so as to predict the future and prevent them from moving with the competing firms (Oyeniyi, Afolabi & Olayanju, 2014).

The telecom industry has been witnessing an increase in competition and an era of hyper consumerization. The most immediate impact has been an increase in customer churn. As a consequence, telecom operators are investing more in retaining and maintaining a customer. The price point of delivering services to those customers, however, has remained the same, leading to stagnant revenues. It is a tricky situation since the demand from customers for multi-play services such as broadband; cable TV, mobile wallets, data and content can actually boost revenues if customers can be retained (Ata & Toker, 2012).

According to Dyer (2014) the telecom business is, traditionally and fundamentally, a technology focused service industry. In service business, where technology has a dominant role, company differentiation can be difficult. Commonly, technology based services are easy to copy, and this often leads to competing with price, when the industry arrives into a maturity state, where all the service providers are essentially the same from the customers point of view. Investments in network technology are, therefore, only meaningful if the operator has the ability to transfer those investments into improving the service experience of their customers (Coltman, 2013).

The companies' ability to manage the customer experience is, then, a potential success factor of tomorrow. This is one way for companies to differentiate themselves in the market (Shaw, 2014). Here the approach can be to focus the company's efforts on how their offering addresses the customer needs, make their services convenient, and provide more meaning to the customer. This can mean a fundamental change in the companies' business mindset and working culture. The starting point for the change is often the interaction point where the company comes in direct contact with the customer (Helm, 2015). The ownership of the customer experience, however, belongs to all functions of the organization. Not only the customer service, but sales, marketing, web pages, social media, systems, processes and other people in 2the Company need to be taken on board. The experiences are usually created in

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customer service contacts, the occasions that are often seen as cost, can now be seen as opportunities to create value (Shaw, 2014).

In a study conducted among 930 consumers in Canada and US by Strativity Group in 2010, it was found that customers are ready to pay higher prices, provide product referrals, give companies more share of wallet and establish long term relationships, if customer experience is superior (Arussy, 2010). Islam and Rima (2013) conducted a study to determine the factors that significantly influence customer experience in the telecommunication sector in Pakistan. Their study confirmed that core service, has a positive and significant influence on customer experience.

The telecommunications industry is authoritatively among the most pivotal in Kenya's economy, cutting across key facets of the economy hugely contributing to the Gross Domestic Product. Competition is rife, customer is king and business models and channels of customer interface have grown exponentially, particularly in the last decade. As such, customer experience as a success driver has never been relevant than today, thanks to the disruptive trends emerging in the 21st century across industries (Gatobu, 2012). The latter-day telecom customers are discerning of the trends and gathered efforts for a share of wallet in the telecom industry and commensurately expect a better service driven by fundamental needs and as a result, demand more real time, intuitive and simplified experience. This has completely forced telecoms to re-imagine their way customer service prism. The best way to re-imagine their engagement life cycle is by leveraging emerging technologies, which completely disrupts the way the telecoms deal with their enterprise customers – shifting from the conventional Business to Business (B2B) industry experience to a more Business-to-Customer (B2C) experience (Kamau, 2014). This means more personalized customer services, data-driven insights, enhanced real-time and context-driven interactions, and end-to-end connections will mark every stage of the life cycle (Kagendo, 2015).

The Kenyan telecommunication sector was liberalized in the late 1990's when two mobile operators were licensed. The sector has grown rapidly since then resulting in new markets, new players and new challenges. There are currently three major players in this industry; Safaricom Limited, Telkom Kenya and Airtel Limited. Since the telecommunications sector was liberalized, Kenya has seen tremendous mobile and internet growth. This has motivated

the government to turn Kenya the East Africa's leader when it comes to Information and Communications Technology (ICT) (Chesire & Kombo, 2015).

The Communications Authority of Kenya is the governing body for this sector. It came into existence in 1999 created by the Kenya Information and Communications Act, 1998, and it's in charge of facilitating the improvement of the Information and Communications industry (CAK 2017). As indicated by the Communications Authority of Kenya (CAK) statistics report Q2 FY 2016-2017, East African nation ended 2016 with a total of 39.1 million mobile subscribers, an increase of 3.7% from 37.7 million twelve months earlier. Safaricom accounted for the majority of total wireless customers (27.7 million) at end-December 2016, followed by Airtel Kenya with 6.8 million and Telkom Kenya with 2.8 million. Finserve Africa Limited registered a total of 1.4 million mobile subscriptions. Mobile data subscriptions rose from 23.79 million at the end of 2015 to 26.52 million twelve months later, with growth attributed to the increased affordability of smart phones and data bundles offered by service providers. Safaricom Limited accounted for 67.5% of total mobile data subscriptions, followed by Airtel Limitedwith19.7%, Telkom with 7.1% and Finserve Africa Limited (Equitel) 5.6%. Current mobile penetration in Kenya as at (Jan-April 2019) is 90.2% with 39.1 million mobile subscribers (CAK, 2017). This implies that there is high competition in the Telco industry. Therefore, firms should focus on customer experience management to reduce customer churn. In Kenya customer churn from one Telco company to another is common.

According to communications authority on Kenya an operator may lose 28.6% of its customer base in half a year. For instance 23% of the customer churn cases took place between the years 2010 to 2015. The customer churn was as a result of provision poor customer services, increase in the prices of product and services, poor network services and poor customer service. This study sought to examine the influence of customer experience management on customer churn in the Telco Industry.

1.2 Statement of Problem

Customer Experience Management (CEM) requires commitment from the senior leadership to listening to the customer and embedding their needs and experiences into strategy. CEM requires cross-functional involvement and brand alignment, which cannot be achieved

without senior leadership buy-in (and resources). CEM also requires a particular skill set from the staff; people who have a commitment to delivering great experiences for their customers, to going the extra mile to ensure the customer feels happy, and to do this on a consistent basis every day. Therefore, leadership, brand clarity, people, and cross-functional involvement are core requirements (Harrison-Walker, 2012).

Churn behavior is a common problem faced by telecom companies as it reduces the revenue, profitability, and damages the brand image of the business (Adebiyi, Oyatoye, & Kuye, 2015). Mandell (2012) noted that 4 out of 10 customers shift from one Telco industry to another in a week. Poor customer services such as slow or no response to customer complaints, pricing promotions, billing disputes and lack of connection capabilities makes a customer more likely to switch carriers. In Kenya the average monthly churn is approximately 1.3%, the highest churn rate among the big telecom companies. This monthly rate may seem low, but it adds up to an annual churn rate of 15%. Pamies (2012) noted that the typical company gets 65% of its business from its existing customers, it costs 5 times more to find a new customer than to keep an existing customer happy, it takes 12 good service experiences to overcome a single bad one, 7 out of 10 customers who switch to the competition do so because of poor service, 91% of unhappy customers won't buy again from the company that displeased them and unhappy customers will not only defect, they will grumble to 9 of their friends.

Customer retention is vital for continuity of an organization. This is because the organization is ensured of repeat purchases, word-of-mouth advertisement and lower customer handling costs as the customer is aware of the standard operating procedures (Sharma & Panigrahi, 2011). Further, with the increasing competition in the market, customer loyalty has become a decisive factor in long-term business profits. At its high, customer loyalty connotes the high entry barriers for the competitor to enter the market, and it significantly contributes to reduction in marketing costs (Wu, 2014). In the telecom industry, retaining customers remains a serious challenge when compared to acquiring them. To effectively retain customers, leading service providers in the telecom industry have started analyzing the customer lifetime value to measure acquisition costs, revenue, customer service, and returns. In addition, businesses can further leverage the use of customer churn analysis to measure the relationship of subscribers at every stage with their operators (Helm, 2014).

Empirical studies include; Hong (2016) did a study on customer experience as a competitive differentiator in subscription services–thinking beyond the paywall. Le Roux (2011) did a study on integrated customer experience management at the North–West University. Svendsen and Prebensen, (2013) studied the effect of brand on churn in the telecommunications sector. This study sought to examine the influence of customer experience management on customer churn in the Telco Industry.

1.3 Objectives of the Study

1.3.1 General Objective

The primary objective of the study was to examine the influence of customer experience management on customer churn in the Telco Industry in Kenya.

1.3.2 Specific Objectives

The study was guided by the following objectives;

    i.   To determine the effect of social environment on churn in the Telco Industry in Kenya

   ii.   To examine the influence of service interface on customer churn in the Telco Industry

  iii.   To determine the effect of retail environment on mitigation of customer churn in the Telco Industry

  iv.   To determine the effect of price on mitigation of customer churn in the Telco Industry

1.4 Research Questions

The study sought to answer the following questions;

    i.   What is the effect of social environment on mitigation of customer churn in the Telco Industry?

   ii.   How does service interface influence mitigation of customer churn in the Telco Industry?

  iii.   What is the effect of retail environment on mitigation of customer churn in the Telco Industry?

  iv.   How does price influence mitigation of customer churn in the Telco Industry?

1.5 Significance of the Study

The study might be important to the Telco companies since it might provide an understanding on the importance of adopting customer experience management to mitigate customer churn. The companies might be able to understand the important customer experience management methods that they can use so as to customer experience management. This might promote customer retention and loyalty in the Telco industry.

The study might be important to policy makers as it might provide knowledge on customer experience management. The policy makers might be able to come up with strategies that support customer experience management in companies. More companies might be able to adopt customer experience management in their organizations to mitigate customer churn.

The study might also be important to scholars and academicians. It might add on literature about customer experience management. The study might be a source of reference for future related studies. Further, gaps can be identified so that other studies closely related to this one can be conducted.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section covered the literature review on influence of customer experience on customer churn. It discusses the theoretical review, empirical review, research gap and the conceptual framework.

2.2 Theoretical Review

The study was based on Contrast theory and social exchange theory

2.2.1 Contrast theory

This theory was developed by (Dawes, Singer & Lemons 1972). Dawes *et al.* (1972) defines this theory as the tendency to magnify the discrepancy between one's own attitude and the attitudes represented by opinion statement. Contrast theory represents an alternative view of the consumer post-usage evaluation on process than was presented in assimilation theory in the post usage evaluation to lead to result in opposition predictions for the effects of expectations on satisfaction. While assimilation theory posits that consumers will seek to minimize the discrepancy between expectations and performance, contrast theory holds that a surprise effect occurs leading to the discrepancy being magnified or exaggerated. According to contrast theory and discrepancy of experience from expectations will be exaggerated in the direction of discrepancy. If the firm raises expectations in its advertising and then a customer's experience is only slightly less than that promised product/service would be rejected as totally unsatisfactorily. Conversely, under promising in advertising and over delivering will cause positive disconfirmation also to be exaggerated. Discrepancy may come as a result of the experience that customer had by using a service. This implies that when customers are satisfied with a service they will use it again and again. Therefore, organizations should interact with their customers to know what services they need to satisfy their needs. This theory helped in explaining the effect of customer experience management to mitigate customer churn.

2.2.2 Social Exchange Theory

Social exchange theory is based on the premise that human behaviour or social interaction is an exchange of activity, tangible and intangible, particularly of rewards and costs (Homans, 1961). It treats the exchange of benefits, notably giving others something more valuable to them than is costly to the giver, and vice versa, as the underlying basis of human behaviour (Homans, 1961) and therefore, a phenomenon which permeating all social life. Not only is the market permeated by exchange, but also by the non-economic realm--the social relations situated between extremes of intimacy, self-interest or cost-benefit calculation and disinterested, as well as expressive behaviour (Blau, 1964). Social exchange is composed of actions of purposive actors that presuppose constellations of interests and resources. The complex of interdependent exchange processes constitutes the market functioning within a definite social and institutional structure, though; admittedly, the latter has not been systematically examined within rational choice theory. Since these processes are assumed to be governed by reciprocal relations viz. Since exchange is defined as social interaction characterized by reciprocal stimuli they would not continue in the long-run if reciprocity were violated. The concept of exchange ratio or balance-imbalance, leading to the concepts of power, dependence, and cohesion, is implied in the attribute of reciprocal reinforcements (Emerson, 1969). As a consequence, exchange theory examines the processes which establishes and sustains reciprocity in social relations, or the mutual gratifications between individuals. The basic assumption of exchange theory is that individuals establish and continue social relations on the grounds that their expectations of such relations will be mutually advantageous. The initial impetus for social interaction is provided by the exchange of benefits, intrinsic and extrinsic, independently of normative obligations (Blau, 1994).

Thus, the relationship between mobile telecommunication service providers or her agents and subscribers should be based on social exchange under ideal situation, where both parties aim at mutual advantages, but where one party gains and the other losses, this theory will be violated. Creation of customers' satisfaction has been judged as the only economic and social justification of business existence. Therefore, telecommunication firms cannot exist profitably/survive without profitable customers that are satisfied with their relationship with organization. Thus, in order to satisfy customers, social exchange theory must hold.

2.3 Empirical Review

This section reviewed studies done by other researchers on customer experience management and customer churn.

2.3.1 Effects of Social Environment on Customer Churn

The social environment consists of the sum total of a society's beliefs, customs, practices and behaviors. It is, to a large extent, an artificial construct that can be contrasted with the natural environment. Every society constructs its own social environment. Some of the customs, beliefs, practices and behaviors are similar across cultures, and some are not. This social environment created by a society-at-large in which a business functions can be referred to as its external social environment. If a business operates in a multicultural society, then the social external social environment is even more complicated because the environment will consist of diverse sub-populations with their own unique values, beliefs, and customs (Chang & Horng, 2010). Hence, organizations should consider the social environment when offering their services.

Haenlein (2013) did a study on social interactions in customer churn decisions: The impact of relationship directionality. The study focused on the importance of social interactions in the customer retention process within a directed social network. Using the customer base of a mobile phone provider, the study relied on call detail records to investigate the churn behavior of 3431 focal actors. The study provided evidence for social interactions in customer churn decisions and show that, at any given point in time, a focal actor was significantly and substantially more likely to defect from a provider if other individuals to whom that actor is socially connected had previously defected from the provider. However, this effect was limited to social contacts with which the focal actor has out going calling relationships and who had churned relatively recently (study sample, less than 5 weeks prior to the point in time that is under examination).

Dasgupta, Singh, Viswanathan, Chakraborty, Mukherjea and Nanavati (2008) did a study on social ties and their relevance to churn in Mobile Telecom Networks. The primary goal was to address the role of social ties in the formation and growth of groups, or communities, in a mobile network. The results demonstrated that good prediction accuracy can be achieved by using a simple, diffusion-process that exploits social influences affecting churn. However,

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there exists scope for further improvements by either optimizing the Spreading Activation (SPA) parameters and/or learning from similar flavored models. In particular, it is imperative to examine how well the notion of social influences can be captured in prevalent classification techniques.

Gamulin, Štular & Tomazic (2015) studied the impact of social network to churn in Mobile Network. The study examined the communication patterns of mobile phone users and subscription plan logs. The goal was to use a simple model to predict which users are most likely to churn, solely by observing each user's social network, which is formed by outgoing calls, and churn among their neighbors. To measure the importance of social network parameters with regard to churn prediction, the study compared three models: spatial classification, regression model, and artificial neural networks. For each subscriber, the study observed three social network parameters, the number of neighbors that have churned, the number of calls to these neighbors, and the duration of these calls for different time periods. The results indicated that using only one or two of these parameters yields results that are comparable or better than the complex models with large amounts of individual and/or social network input parameters that other researchers have proposed.

Wojewnik, Kaminski, Zawisza and Antosiewicz (2011) did a study on social environment influence on telecommunication customer attrition. The study investigated the network effects of churn in the telecommunication industry. Under calling party pays regime differentiation between on-net and off-net prices implies that customer's calling cost depends on operators chosen by the clients called. The study assumed that clients minimize their expenses. Therefore, after a single person churn it was observed that churn was induced in social neighborhood. The study aim was to verify, which measures of individual position in a social network are important predictors of induced churn. The results were controlled by changes in market prices structure, social network structure and number of operators on the market. Multi-agent simulation showed that network structure and number of operators significantly influence induced churn level and weighted prestige is its important predictor.

2.3.2 Effect of Service Interface on Customer Churn

Service interface is the process of managing a customer's entire experience with a product or a company is treating customers as individuals (Toporek, 2012). Ha and Jang (2012) refer to

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service interface as the dynamic exchange of information between the customer and a company. In recent years, the organization-service interface has undergone major transformation due to the effects of the Internet and of globalization. For these reasons, organizations are searching for new and innovative ways to connect with their customers and gain an edge over their competitor.

Homburg, Wieseke and Bornemann (2013) did a study on implementing the marketing concept at the employee customer interface: the role of customer need knowledge. This study introduced the concept of "customer needs knowledge" (CNK), which describes the extent to which a frontline employee can accurately identify a given customer's hierarchy of needs. The results of two large-scale, multilevel investigations involving data from three different levels (customers, employees, and managers) demonstrate the importance of CNK for the provision of customer satisfaction and customer value. In particular, CNK fully mediates the influence of employees' customer orientation and cognitive empathy on these customer outcomes. Moreover, whereas the length of the relationship between an employee and a particular customer enhances CNK, a large age discrepancy in relation to the customer decreases employees' level of CNK.

Yusoff and Kairan (2015) did a cross sectional analysis on customer interfaces in telecommunication industry with customer retention in Malaysia. All the respondents were collected randomly and being illustrated using Frequency analysis, reliability test, regression analysis and correlation analysis were used to analyze the data. Based on responses, the results showed that physical evidence, processing and people are affecting the customers' retention. The study suggests that service industry need to improve their strategies in order to increase the performance as well as income in the telecommunication industry.

Chang and Chen (2014) did a study on the impact of customer interface quality, satisfaction and switching costs on e-loyalty: Internet experience as a moderator. The study proposed an integrating theoretical framework for testing the relationships among customer interface quality, satisfaction, switching costs, and e-loyalty. Moreover, this study argued that the relationships among these constructs are moderated by Internet experience. Empirical analyses were performed using structural equations modeling analysis. The findings confirmed that customer interface quality, including customization, interaction, convenience

and character, contributes to generating e-loyalty. Particularly, the results showed that convenience directly enhances e-loyalty. Additionally, this study found that customer interface quality positively influences switching costs for customers with higher Internet experience, a phenomenon that has not previously been explored.

Kanoria, Lobel and Lu (2018) did a study on managing customer churn via service mode control. The study considered the problem faced by a service firm interacting over time with one of its customers. The firm has two service modes available, which differ in their expected reward rates as well as their volatilities. The firm's objective is to maximize the rewards generated over the customer's lifetime. Meanwhile, the customer is unsophisticated and might abandon the system if she1is unsatisfied with recent rewards. We show that the firm's optimal policy is either myopic or a sandwich policy. A sandwich policy is one where the firm utilizes the myopically optimal service mode when the customer is either very happy or very unhappy but that utilizes the service mode with inferior reward rate when the customer happiness is near the satisfaction threshold. Specifically, the firm becomes risk averse when the customer is marginally satisfied and risk seeking when the customer is marginally unsatisfied.

2.3.3 Effects of Retail Environment on Customer Churn

Bitner (2012) used the term services cape to describe the built environment or, more specifically, the man-made, physical surroundings as opposed to the natural or social environment. Similarly Lee and Jeong (2012) defined store environment as an environment created by service provider including overall layout, design, decoration, and aesthetics. This phenomenon has recently been found to be an important part of consumer evaluation of satisfaction with services (Ruiz, Castro & Diaz, 2012). However, satisfactory experience of the customer usually depends on customer's ability to interact with the store environment in order to produce a satisfactory consumption experience (Turley & Milliman, 2000). The importance of creating an attractive atmosphere has gained growing attention among scholars and hospitality managers as it is a key factor for attracting and satisfying customers in hospitality industry (Han & Ryu, 2009). Store environment plays a critical role in differentiating service firms and influencing the nature of customer experiences (Pareigis, Edvardsson & Enquist, 2011).

Miswanto (2017) studied the influence of service quality and store environment on customer satisfaction. The study examined the influence of service quality (tangibles, reliability, responsiveness, assurance, and empathy) and store environment on customer satisfaction and the influence of customer satisfaction on repurchase intention, trust, and word of mouth on customers of souvenir stores in Yogyakarta. Selection of the sample was done using purposive sampling with one criterion: they have shopped in souvenir stores in Yogyakarta. Data were collected using questionnaires and 200 souvenir store customers participated in the study. The data were analyzed by using Structural Equation Modeling (SEM) with Amos computer program. The findings showed that none of service quality's dimension: tangibles and store environment have positive influences on customer satisfaction.

Rodrigues (2017) reviewed the new trends in store environment: an application to the telecommunication sector. The aim of the study was to understand new store trends on the market, and their impact on store environment when applied to the telecommunication industry. To achieve the research objectives a literature review was developed followed by an empirical research. This qualitative research allowed the investigation of four types of store trends' impact on telecommunication's stores: store mood zones, retailtainment, co-creation and interactive screens. Several cues related to these trends were presented to a sample of consumers as a way of studying its influence on consumer's perception and behavior within the store. Overall, the findings revealed that the above presented trends are valuable to improve the consumers' interest on visiting physical stores. Nevertheless, its influence on consumer behavior may vary according to which sort of idealization and implementation is used. As so, marketers must understand the relationship among several stimuli, and its effect on consumers to adapt to each circumstance and target audience.

Hussain and Ali (2015) studied the effect of store environment on consumer purchase intention. The study aimed at identifying the effects of environment on the consumer purchase intention in international retail chain outlets of Karachi, Pakistan. The research was causal in nature. A sample of 300 consumers was taken who usually visited these outlets. Data was collected through a well-structured questionnaire and analyzed through regression analysis. Research findings indicate that atmospheric variables such as cleanliness, scent, lighting, and display/layout have a positive influence on consumers' purchase intention; whereas music and color have insignificant impact on consumers' purchase intention. The

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temperature had almost no impact on the purchase intention of the consumers. This study has important implication for Practitioners and Academicians.

2.3.4 Price and Customer Churn

Price is an important variable that defines the company's profit. For having the benefits and usage of any service or product the customer will pay an amount of money which is known as price (Shahzad, 2011). Price is also determined by what a buyer is willing to pay, a seller is willing to accept and the competition is allowing to be charged. Price is the key element for customer satisfaction. A good price is the major contributor for satisfaction. Because the monetary cost is the price and in making customer value monetary aspect play a very vital role.

Hsu and Pham (2015) studied the effects of reference price on customer purchasing intention. The study sought to investigate the effect of different reference pricing factors on consumer purchasing intentions in Vietnam and Taiwan, and the relation of both internal and external reference pricing with consumer purchasing intentions. Three hundred and eighty five (N = 385) respondents from Taiwan and Vietnam were selected and invited to participate in this study. Response surface regression analysis was utilized to examine the eleven proposed research hypotheses. This was done through a questionnaire designed on the Likert five point scales. The results indicated that seven of the eleven hypotheses were supported and internal and external reference pricing has shown significantly, positively influence consumer purchasing intention.

Yeboah-Asiamah, Narteh and Mahmoud (2018) did an evaluation on preventing customer churn in the mobile telecommunication industry: is mobile money usage the missing link? The study examined the influence of mobile money usage on customer continuance intention (CCI). The study conveniently sampled 507 mobile money users to test the research model using PLS-SEM. Satisfaction, trust and active usage of mobile money were found to influence CCI. Active usage of mobile money was also confirmed as a mediator in the relationship between satisfaction and trust, on customer continuance. The study thus validated a theoretical model of customer continuance intention as it relates to mobile money usage. It has also provided a new perspective on managing customer churn in an emerging market.

Agwu (2014) did a review of the effect of price on the purchase of consumer goods. The study examined the effect of pricing strategies on the purchase of consumer goods. Also examined in this research is the effect of internet (online presence) on informed purchase decision. The research intended to answer questions on the extent to which competitor's price affects purchase of products, how customers perceive the value-based pricing concept of firms and the extent to which online pricing inform customer purchase decision. The research utilized a descriptive and historical method and relied heavily and solely on secondary instruments as sources of data. Findings from the data obtained indicate that consumers have a perception of value reflected in prices of firms' products. It also shows that competitors price affect the purchase of firm products and that online pricing informs and affects purchase decision.

2.4 Research Gaps

From the empirical literature, it is evident that, there is minimal literature on customer experience management. The study has also identified the contextual and conceptual gaps. Haenlein (2013) did a study on social interactions in customer churn decisions: The impact of relationship directionality. This study failed to determine the influence of customer experience management on customer churn, which is the focus of the current study. Dasgupta, Singh, Viswanathan, Chakraborty, Mukherjea and Nanavati (2008) did a study on social ties and their relevance to churn in Mobile Telecom Networks. This study did not explain the influence of customer experience management on customer churn. Homburg, Wieseke and Bornemann (2013) did a study on implementing the marketing concept at the employee customer interface: the role of customer need knowledge. This study failed to determine the influence of customer experience management on customer churn. Yusoff and Kairan (2015) did a cross sectional analysis on customer interfaces in telecommunication industry with customer retention in Malaysia. This study failed to determine the influence of customer experience management on customer churn which is the focus of the current study.

Chang and Chen (2014) did a study on the impact of customer interface quality, satisfaction and switching costs on e-loyalty: Internet experience as a moderator. This study aimed to determine customer satisfaction and loyalty hence did not focus on the influence of customer experience management on customer churn. Miswanto (2017) studied the influence of service quality and store environment on customer satisfaction. This study focused on customer satisfaction, hence failed to determine the influence of customer experience management on customer churn, which is the focus of the current study. Hsu and Pham (2015) studied the effects of reference pricing on customer purchasing intention. This study did not explain the influence of customer experience management on customer churn, hence the study gap. Le Roux (2011) did a study on integrated customer experience management at the North–West University. This study failed to explain how customer experience management influences customer churn, which is the focus of the current study. The current study seeks to examine the effects of customer experience management on customer churn in the Telco Industry.

2.5 Conceptual Framework

According to Kombo and Tromp (2014) a conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. Further, a conceptual framework is a hypothesized model identifying the model under study and the relationship between the dependent and independent variables. Below is a figurative representation of the variables explored by this study.
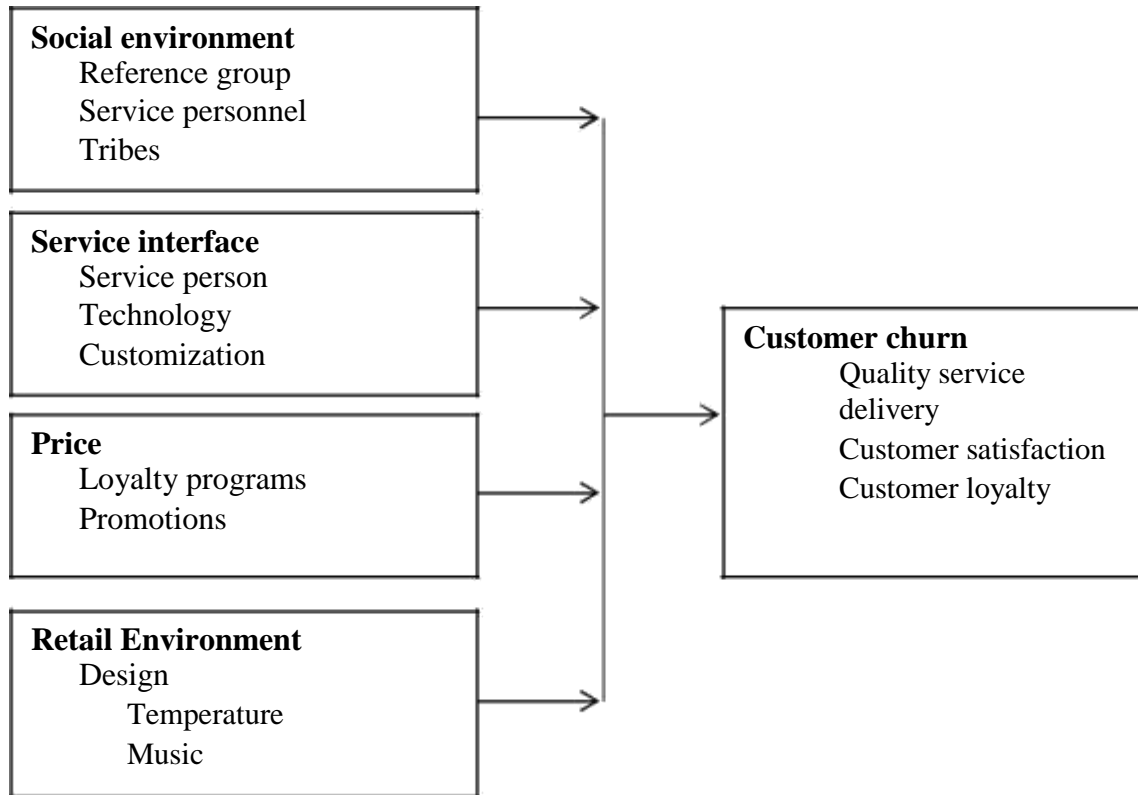
Independent Variables   **Dependent Variable**

Figure 2.1: Conceptual Framework

Source: (Researcher, 2019)

From figure 2.2, social environment (reference group, service personnel, tribes), service interface (service person, technology, customization), price (loyalty programs, promotions), retail environment (design, temperature, music) influence customer churn (quality service delivery, customer satisfaction, customer loyalty).

2.6 Operationalization of Study Variables

This section covered the operationalization of independent and dependent variables. As shown in Table 2.1

Table 2.1: Operationalization of Study Variables

Variables	Operational ability	Measurement
Dependent Variables		
Social environment	Reference group Service personnel Tribes	Likert scale
Service interface	Service person Technology Customization	Likert scale
Price	loyalty programs promotions	Likert scale
Retail environment	Design Temperature Music	Likert scale
Dependent variable	**Operational ability**	**Measurement**
Customer churn	Quality service delivery Customer satisfaction Customer loyalty	Likert scale

Source: (Researcher, 2019)

2.7 Summary of Literature

This section reviewed theories related to customer experience management and customer churn. These are contrast theory and social exchange theory. Studies related customer behaviour service interface, retail environment, price and customer churn have also been reviewed. The literature showed that there is a relationship between customer behaviour service interface, retail environment, price and customers churn. The conceptual framework showed the relationship between the study variables.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research design adapted by the study, the research design, the target population, the sampling technique and sample size, the research instruments used to collect data, pilot testing to test the validity and reliability of research instrument, data collection method, data analysis and logistical and Ethical Considerations.

3.2 Research Design

Orodho (2009) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. Descriptive research is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. The study adopted a descriptive research design. The technique was appropriate as it involved a careful in-depth study and analysis on adoption of customer experience management to mitigate customer churn in the Telco Industry. The findings were utilized to recommend conceivable purposes behind specific connections in the middle of variables and to deliver models of these connections (Saunders *et al*, 2012).

3.3 Target Population of the Study

According Sekaran and Bougie (2013) target population is the entire group of individuals or objects to which the researcher is interested in generalizing the conclusions. The target population usually has varying characteristics and it is also known as the theoretical population. The study was conducted at Telco's in Kenya at their headquarters in Nairobi. The study focused on three main Telcos in Kenya: Safaricom, Airtel and Telkom Kenya limited. The three companies were selected because they hold a large customer base in the country hence information on customer experience management can easily be obtained. The companies were also selected because the study was not able to cover all the companies in the sector due to limited time and financial constraints. Staff was the target population for the study. They were selected because, though they are employees they still consume the Telco's products and services hence they can provide information on customer experience management and churn. The study population was 381 staff at the Telco companies.

Table 3.1: Target Population

Company	Frequency	Percent
Safaricom	172	45.1
Airtel	124	32.5
Orange	85	22.3
Total	**381**	**100**

Source: (Researcher, 2019)

3.4 Sample Size and Sampling Technique

The study used stratified sampling technique to select the required sampling units. This method is suitable because it allows the researcher to obtain a sample population that best represents the entire population being studied. This is done by dividing a population into smaller sub-groups known as strata. The strata are formed based on members' shared attributes or characteristics.

A Yamane formula was used in calculating the study sample size.

The formula is   n= N / [1+N (e) 2]

Where n = sample size,

N = population size

e = error term (0.05)

Hence, n = 381/ [1 + 381(.05)2] = 195 respondents

The sample size of the study was 195 staff this formed 51.18% of the target population. The sample distribution is as shown in Table 3.2

Table 3.2: Sample Size

Company	Frequency	%sample	Sample size
Safaricom	172	51.18%	88
Airtel	124	51.18%	63
Orange	85	51.18%	44
Total	**381**	51.18%	**195**

Source: (Researcher, 2019)

3.5 Data Collecting Method

The questionnaires were used to collect primary data. The questionnaire was used because of its potentials in reaching out to a large number of respondents within a short time, able to give the respondents adequate time to respond to the items, offers a sense of security to the respondent and it is objective method since no bias resulting from the personal characteristics (Creswell, 2013). The questionnaire had six sections designed in line with the study objectives. Section one covered the demographic information, section two, three, four and five covered the dependent variables while section six covered questions on the dependent variable. Secondary data was collected from organization reports to compare the organization customer base for the past five years between 2014 to 2018.

The researcher administered the questionnaires to the respondents. The questionnaire had both open and close ended questions which were structured in reference with the research objectives. The researcher used the drop and pick later method in administering the questionnaires. The study exercised care and control to ensure all questionnaires issued to the respondents were returned and to achieve this, the researcher maintained a register of questionnaires. The researcher also obtained information on the annual reports from the management.

3.6 Research Quality

3.6.1 Validity Test

Validity measures degree to which an instrument measures the construct under investigation. For a data collection instrument to be considered valid, the content selected and included must be relevant to the need or gap established. Before the actual study, the instruments were discussed with experts in the field under study. The feedback from the supervisors and the experts helped in modifying the instruments. A questionnaire pilot test was carried out with a sample of 10 managers, each from different levels of management, (top level managers-2, mid-level managers-3 and low level managers-5). This helped to determine the key focus group for the analysis, the focus area of the required results based on the objectives set and set a pace for the analysis. The respondents were not used in the actual data collection and/or analysis.

3.6.2 Reliability Test

Reliability is the ability of a research instrument to consistently measure characteristics of interest over time. It is the degree to which a research instrument yields consistent results or data after repeated trials. If a researcher administers a test to a subject twice and gets the same score on the second administration as the first test, then there is reliability of the instrument (Mugenda & Mugenda, 2003). Reliability is concerned with consistency, dependability or stability of a test. The researcher measured the reliability of the questionnaire to determine its consistency in testing what they are intended to measure. The test re-test technique was used to estimate the reliability of the instruments. This involved administering the same test twice to the same group of respondents who have been identified for this purpose. Cronbach's alpha was used to measure the results. The value of the alpha coefficient ranges from 0-1 and may be used to describe the reliability of factors extracted from dichotomous and or multi-point formatted questionnaires or scales. A higher value shows a more reliable generated scale. Cooper and Schindler (2008) have indicated 0.7 to be an acceptable reliability coefficient.

The study computed reliability analysis with the aim of determining consistency of the questionnaire in testing what it was intended to measure. The study used test re-tests technique in estimating the reliability of the instruments. Cronbach's alpha was used to measure the results. The value of the alpha coefficient ranges from 0-1 where a higher value shows a more reliable generated scale. According to Gliem and Gliem (2003) acceptable threshold alpha value is 0.7 and was therefore used as a benchmark in this study.

From the findings presented in Table 4.2, social environment has an alpha of 0.751, service interface has an alpha of 0.733, retail atmosphere has an alpha of 0.765, price has an alpha of 0.752, and mitigation of customer churn has an alpha of 0.774. The results on reliability indicate that the Cronbach reliability alpha of all the variables were greater than 0.7 and hence there was no need to change the measures and indicators in the questions; they were all reliable.

Table 3.3: Reliability analysis

Scale	Cronbach's Alpha	Number of Items
Social environment	0.751	7
Service interface	0.773	7
Retail atmosphere	0.765	7
Price	0.752	6
Mitigation of customer churn	0.774	5

Source: (Researcher, 2019)

3.7 Data Analysis and Presentation

The study used and quantitative techniques in analyzing the data. Data was analyzed using descriptive statistics (mean, frequencies and standard deviation), correlation analysis and multiple regression analysis. The results were presented using percentages, graphs and tabulations. Tables and graphs were used to summarize responses for further analysis and facilitate comparison. Regression and correlation analysis were used to show the direction and strength of association between the variables. Multiple linear regression models were used to determine the relationship between the independent and dependent variable. The multiple regression models were as presented below;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where

Y = Mitigate customer churn

β_0 = regression constant,

$\beta_1, - \beta_4$ = Coefficients,

X_1 is Social environment

X_2 is Service interface

X_3 is Retail environment

X_4 is Price

3.8 Ethical Consideration

A letter of introduction explaining the objective of the study was obtained from the University. A letter permit for data collection was also obtained from NACOSTI. The respondents who are willing to participate in the study were provided with consent form to sign. The study was voluntary and no one was coerced to participate. The information provided was stored in the university database and only the authorized individuals had access to it.

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

In this chapter, data analysis, interpretation and presentation of data collected from the field are discussed. Specifically, the chapter covers the general information of the respondents, and findings based on study's objectives. To facilitate discussion of the research findings, the study computed both descriptive and inferential statistics.

4.2 Response Rate

The study targeted a sample of 195 staff from three major Telco's companies in Kenya. Out of all 195 questionnaires dispatched to the field, only 152 were received back. The returned questionnaires translated to 89.4%. According to Mugenda and Mugenda (2003) if a rate of response is above 50% it is good for analysis and reporting and its excellent if it's above 70%. For our case, our rate of response was considered excellent and was therefore suitable for analysis and making inference.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	152	89.4
Unreturned	18	10.6
Total	**170**	**100.0**

Source: (Researcher, 2019)

4.3 Demographic Information

In this section, the study sought to establish general information of participants of the study. Specifically the study sought to establish their gender, length of service in the organization, level of education, position in the organization and organizations adoption of customer experience management strategies.

4.3.1 Gender of the Respondents

The study sought to establish the gender of the respondents used in the study. The results were as shown in Figure 4.1.
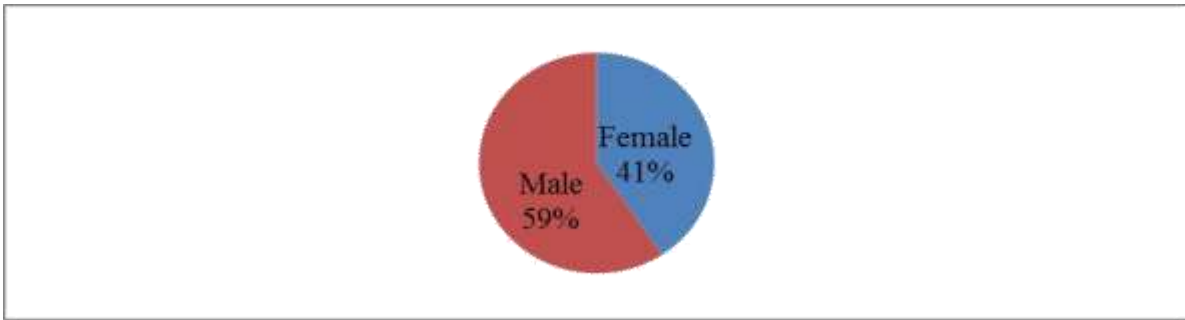
Figure 4.1: Gender of the Respondents

Source: (Researcher, 2019)

The findings show that majority (59%) of the respondents were male while the remaining 41% were female. Respondents of both genders were fairly represented.

4.3.2 Respondents Length of Service in the organization

Respondents were asked to indicate how long they have served in their respective organizations. The results were as shown in Figure 4.2.

Figure 4.2: Respondents Length of Service in the organization

Source: (Researcher, 2019)

From the findings, 40.5% of the respondents indicated that they have served in their organizations for a period of 7 to 9 years, 26.2% indicated a period of 4 to 6 years, 21.4% indicated above 10 years and 11.9% indicate 1 to 3 years. From the findings, it is evident that the respondents used in the study had served in their organizations long enough to provide the information that was needed in the study. Most (40.5%) of the respondents had served in their organization for a period of 7 to 9 years.

4.3.3 Respondents Level of Education

Respondents were asked to indicate their highest level of education. The results were as presented in Figure 4.3.
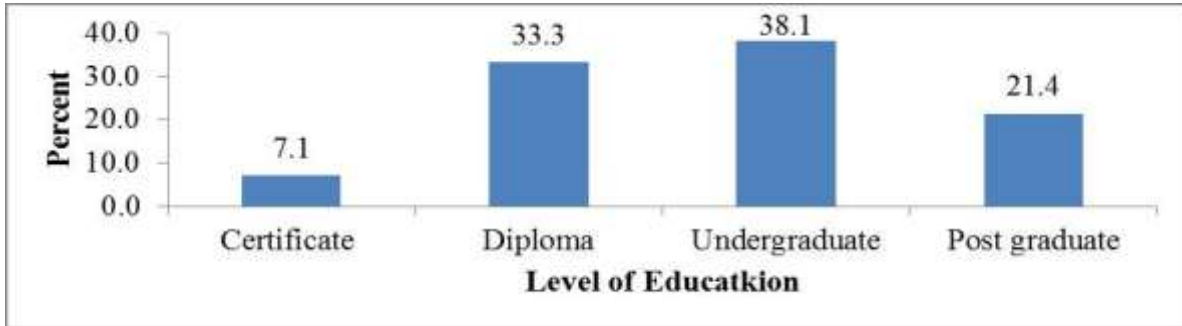
Figure 4.3: Respondents Level of Education

Source: (Researcher, 2019)

The findings show that 38.1% of the respondents had attained undergraduate as their highest level of education, 33.3% had diploma, 21.4% had Post graduate, and 7.1% had certificate. This is an indication that the respondents used in the study had varied educational qualification and this placed them in the various positions in the organization. This is also an indication that the respondents had acquired different skills that qualified them for the positions they held in the organization.

4.3.4 Respondents Position in the Organization

Respondents were asked to indicate what their positions were in the organization. The results were as shown in Figure 4.4.
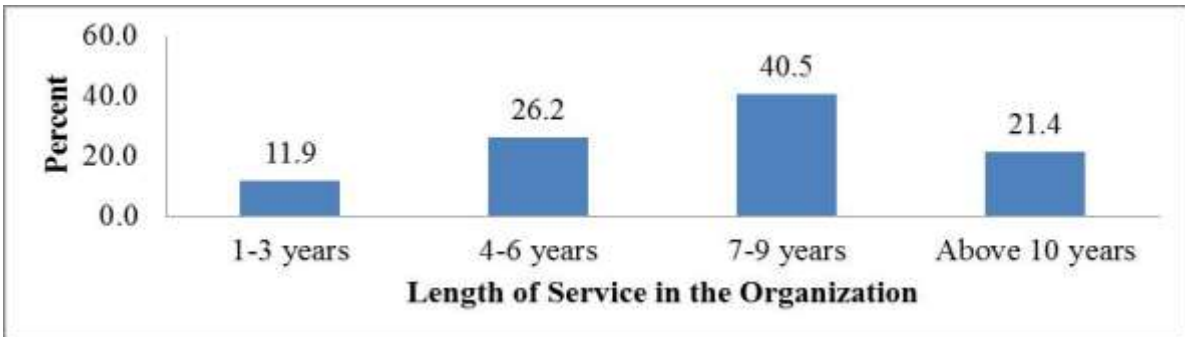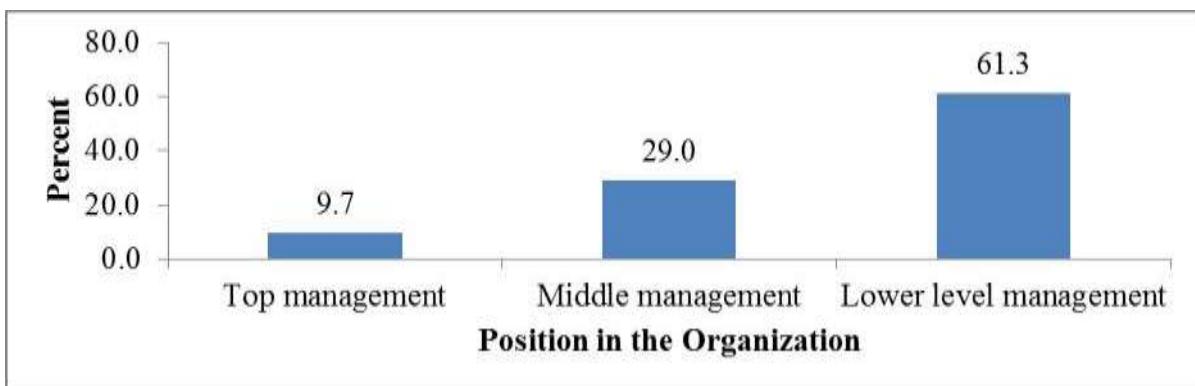

Figure 4.4: Respondents Position in the Organization

Source: (Researcher, 2019)

From the findings, 61.3% of the respondents indicated that their position in the organization was low level management, 29% indicated theirs was middle management and 9.7% help top management positions. This is an indication that the respondents used were from different managerial positions in the organization and the study collected information from all the respondents irrespective of the position they held in the organization. Majority of the respondents held the lower level management positions in their organization.

4.3.5 Organization's Adoption of Customer Experience Management Strategies

Respondents were asked to indicate whether their organization has adopted customer experience management strategies. The results were as shown in Figure 4.6.
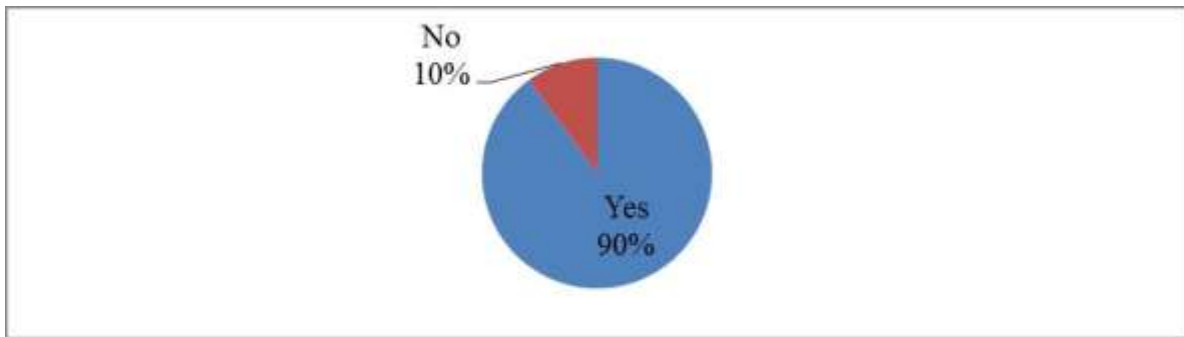
Figure 4.5: Adoption of Customer Experience Management Strategies by organizations

Source: (Researcher, 2019)

From the findings, 90% of the respondent indicated that their organization has adopted customer experience management strategies while 10% indicated that their organization is yet to adopt the strategies. This is an indication that majority (90%) of the organizations have adopted customer experience management strategies.

4.4 Descriptive Statistics

In this section, the study presents the findings of the respondents on various statements that relate with adoption of customer experience management to mitigate customer churn in the Telco Industry. The respondents were asked to give their opinion based on a 5-point Likert scale where 1-strongly disagree, 2- disagree, 3-moderate, 4-agree, 5-strongly agree. Means and standard deviations were applied in explaining the findings of the study. The means were interpreted as follows; a mean of 0-1 implied that the respondents strongly disagreed, a mean

of 1.1-2 implied they disagreed, 2.1-3 suggest that they were neutral, a mean of 3.1-4 suggest they agreed, and a mean of 4.1-5 implies the respondents strongly agreed.

4.4.1 Social Environment and Mitigation of Customer Churn

Respondents were asked to indicate the level to which they agree or disagree with the statements about the effect of social environment on mitigation of customer churn in the Telco Industry. The results were as presented in Table 4.2.

Table 4.2: Social Environment on Mitigation of Customer Churn

Statements	Mean	Std. Dev.
The organization tailors its products to meet the culture of various group of people	3.929	1.269
Customers problems are solved faster	3.857	1.261
Customers can visit any of the organization customer centres in case they have a problem	3.970	1.337
The service personnel are customer friendly	3.803	1.219
The service personnel understand most of the customer problems	3.750	1.342
The organization has an established online platform where customers can give suggestions	3.893	1.193
The organization services are available for 24 hours	3.821	1.336

Source: (Researcher, 2019)

The findings show that the respondents were in agreement that customers can visit any of the organization customer centres in case they have a problem as shown by a mean of 3.970, the organization tailors its products to meet the culture of various groups of people as shown by a mean of 3.929, the organization has an established online platform where customers can give suggestions as shown by a mean of 3.893, customers problems are solved faster as shown by a mean of 3.857, the organization services are available for 24 hours as shown by a mean of 3.821, the service personnel are customer friendly as shown by a mean of 3.803, and that the service personnel understand most of the customer problems as shown by a mean of 3.750. This implies that provision social platform where customers can interact with the organization while expressing their satisfaction and dissatisfaction can help in minimizing customer churn.

These findings are in agreement with Haenlein (2013) who did a study and focused on the importance of social interactions in the customer retention process within a directed social network and provided evidence for social interactions in customer churn decisions and showed that, at any given point in time, a focal actor was significantly and substantially more likely to defect from a provider if other individuals to whom that actor is socially connected had previously defected from the provider.

The study conducted Pearson moment correlation analysis. Using the correlation coefficient, the study tested the relationship between social environment and mitigation of customer churn. As shown in Table 4.3

Table 4.3: Correlation between Social Environment and Mitigation of Customer Churn

		Mitigation ofcustomerchurn	Social environment
Mitigation of customer churn	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	71	
Social environment	Pearson Correlation	.864**	1
	Sig. (2-tailed)	.000	
	N	152	152

Source: (Researcher, 2019)

The results reveal that Social environment and mitigation of customer churn in the Telco Industry were strongly, significantly and positively related (r=0.864, p-value=0.000). This implies that improving the social environment can help to mitigate customer churn.

4.4.2 Service interface and Mitigation of Customer Churn

Respondents were asked to indicate their level of agreement or disagreement with statements about the effects of service interface on mitigation of customer churn in the Telco Industry. The results were as shown in Table 4.4.

Table 4.4: Service Interface on Mitigation of Customer Churn

Statements	Mean	Std. Dev.
The organization has developed online platforms where customers can look for the available company products	3.929	1.193
Customers are able to communicate with service personnel online	3.893	1.337
User interface promotes long-term trust in the brand	3.964	1.480
The organization service interfaces are easy to understand and operate	3.821	1.490
The organization interfaces are fast, and provide users with appropriate contextual feedback	3.968	1.409
The interfaces ensures customers privacy	3.919	1.494
The interfaces are customized to meet individual customer needs	3.857	1.411

Source: (Researcher, 2019)

From the findings, the respondents were in agreement that the organization interfaces are fast, and provide users with appropriate contextual feedback as shown by a mean of 3.968, user interface promotes long-term trust in the brand as shown by a mean of 3.964, the organization has developed online platforms where customers can look for the available company products as shown by a mean of 3.929, the interfaces ensures customers privacy as shown by a mean of 3.919, customers are able to communicate with service personnel online as shown by a mean of 3.893, the interfaces are customized to meet individual customer needs as shown by a mean of 3.857, and that the organization service interfaces are easy to understand and operate as shown by a mean of 3.821. This shows that improving the organization methods of service delivery minimize the level of customer churn.

These findings are in agreement with Chang and Chen (2014) who did a study on the impact of customer interface quality, satisfaction and switching costs on e-loyalty: Internet experience as a moderator and found that customer interface quality, including customization, interaction, convenience and character, contributes to generating e-loyalty. Furthermore, convenience directly enhances e-loyalty; customer interface quality positively influences switching costs for customers with higher Internet experience, a phenomenon that has not previously been explored.

Using the correlation coefficient, the study tested the relationship between service interfaces on mitigation of customer churn. Results are as shown in Table 4.5

Table 4.5: Service Interface on Mitigation of Customer Churn

		Mitigation of customer churn	Service interface
Mitigation of customer churn	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	71	
Service interface	Pearson Correlation	.891**	1
	Sig. (2-tailed)	.000	
	N	152	152

Source: (Researcher, 2019)

Service interface had a strong positive and significant relationship with mitigation of customer churn in the Telco Industry (r=0.891, p-value=0.000). This implies that improving the organization service interface can help to mitigate customer churn.

4.4.3 Retail Atmosphere and Mitigation of Customer Churn

Respondents were asked to indicate their level of agreement or disagreement about the effect of retail atmosphere on mitigation of customer churn in the Telco Industry. The results were as shown in Table 4.6.

Table 4.6: Retail Atmosphere on Mitigation of Customer Churn

Statements	Mean	Std. Dev.
The retail centres are well ventilated hence providing conducive environment for customers	3.925	1.293
There are enough service personnel in the retail centres who assist the customers	3.786	1.415
There are set interactive screens which keep the customers busy while they wait to be served	3.964	1.480
The retail centres are strategically located and hence they can easily be accessed	3.849	1.473
The retail centres are distributed in different Counties in the country	3.964	1.208
The retail centres are designed in such a way that customers can sit and	3.893	1.193

relax as they wait to be served		
The services in the retail center are in terms of first come first served and problems are solved very fat	3.929	1.269

Source: (Researcher, 2019)

From the findings, the study established that there are set interactive screens which keep the customers busy while they wait to be served as shown by a mean of 3.964, the retail centres are distributed in different Counties in the country as shown by a mean of 3.964, the services in the retail center are in terms of first come first served and problems are solved very fast as shown by a mean of 3.929, the retail centres are well ventilated hence providing conducive environment for customers as shown by a mean of 3.925, the retail centres are designed in such a way that customers can sit and relax as they wait to be served as shown by a mean of 3.893, the retail centres are strategically located and hence they can easily be accessed as shown by a mean of 3.849, and that there are enough service personnel in the retail centres who assist the customers as shown by a mean of 3.786. This implies that provision of a good retail environment where customers can receive organization services at their own convenience can help to reduce customer churn.

These findings concur with Hussain and Ali (2015) who studied the effect of store atmosphere on consumer purchase intention and from the findings, it was indicated that atmospheric variables such as cleanliness, scent, lighting, and display/layout have a positive influence on consumers' purchase intention. Also Miswanto (2017) in his study on the influence of service quality and store atmosphere on customer satisfaction, he found that none of service quality's dimension: tangibles and store atmosphere have positive influences on customer satisfaction.

Using the correlation coefficient, the study tested the relationship between retail atmosphere and mitigation of customer churn. Results are as shown in Table 4.7

Table 4.7: Retail Atmosphere and Mitigation of Customer Churn

		Mitigation ofcustomerchurn	Retail atmosphere
Mitigation of customer churn	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	71	
	N	152	
Retail atmosphere	Pearson Correlation	.732[**]	1
	Sig. (2-tailed)	.001	
	N	152	152

Source: (Researcher, 2019)

Retail atmosphere positively and significantly related with mitigation of customer churn in the Telco Industry (r=0.732, p-value=0.001). This shows that a good retail environment is important in mitigation customer churn.

4.4.4 Price and Mitigation of Customer Churn

Respondents were asked to indicate their level of agreement or disagreement with statements about the effect of price on mitigation of customer churn in the Telco Industry. The results were as shown in Table 4.8.

Table 4.8: Price on Mitigation of Customer Churn

Statements	Mean	Std. Dev.
The organization reward's loyal customers from time to time	3.893	1.193
The company organizes customer promotions annually	3.800	1.339
The customers are rewarded will free internet in holidays	3.821	1.187
The company has held promotions where customers win cash	3.893	1.337
The company has partnered with other organizations to reward customers	3.963	1.208
All customers have equal chances on winning the promotions	3.871	1.382

Source: (Researcher, 2019)

The findings showed that the respondents were in agreement that the company has partnered with other organizations to reward customers as shown by a mean of 3.963, the organization reward's loyal customers from time to time as shown by a mean of 3.893, the company has held promotions where customers win cash as shown by a mean of 3.893, all customers have equal chances on winning the promotions as shown by a mean of 3.871, the customers are rewarded will free internet in holidays as shown by a mean of 3.821, and that the company organizes customer promotions annually as shown by a mean of 3.800. This implies that provision of fair prices to customers helps in mitigating customer churn.

The findings are in agreement with Agwu (2014) ho did a review of the effect of price on the purchase of consumer goods and found that consumers have a perception of value reflected in prices of firms' products. It also showed that competitors price affect the purchase of firm products and that online pricing informs and affects purchase decision. Hsu and Pham (2015) studied the effects of reference price on customer purchasing intention and established that internal and external reference pricing showed significant and positive influence on consumer purchasing intention.

Using the correlation coefficient, the study tested the relationship between price and mitigation of customer churn. Results are as shown in Table 4.9

Table 4.9: Price and Mitigation of Customer Churn

		Mitigation of customer churn	Price
Mitigation of customer churn	Pearson Correlation		1
	Sig. (2-tailed)		
	N	71	
Price	Pearson Correlation	-.811[**]	1
	Sig. (2-tailed)	.000	
	N	152	152

Source: (Researcher, 2019)

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Price negatively and significantly related with mitigation of customer churn in the Telco Industry (r=-0.811, p-value=0.000). Therefore, pricing is important in the minimization of customer churn.

4.4.5 Mitigation of Customer Churn

Respondents were requested o indicate their level of agreement with statements about mitigation of customer churn. The results were as shown in Table 4.10.

Table 4.10: Mitigation of Customer Churn

Statements	Mean	Std. Dev.
Increased volume of sales	3.857	1.261
Increased customer base	3.808	1.345
Improved service delivery	3.714	1.267
Customer satisfaction	3.929	1.193
Customer loyalty	3.899	1.538

Source: (Researcher, 2019)

The findings show that the respondents were in agreement that there was improved Customer satisfaction as shown by a mean of 3.929, there was increased customer loyalty as shown by a mean of 3.899, Increased volume of sales as shown by a mean of 3.857, Increased customer base as shown by a mean of 3.808, and Improved service delivery as shown by a mean of 3.714. These findings concurred with Le Roux (2011) who did a study on integrated customer experience management at the North–West University and found a strong positive correlation between a positive customer experience as encountered by students, and their loyalty, as well as their intentions to continue their studies at the NWU, and their intention to actively endorse or promote the NWU to friends and family members (customer advocacy). There was also a strong positive correlation between staff members' intention to deliver satisfactory customer experience levels and also between it, their own loyalty and own customer advocacy levels.

4.5 Multiple Regression Analysis

The study computed multiple linear regression models to determine the relationship between the independent and dependent variable. The results were presented in three tables.

4.5.1 Model Summary

Changes in dependent variable as a result of changes in independent variables were determined using the model summary. Variations of mitigation of customer churn in the Telco Industry due to the changes of Social environment, Service interface, Retail atmosphere and Price was analysed in this study.

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876[a]	.767	.723	.19816

a. Predictors: (Constant), Social environment, Service interface, Retail atmosphere and Price

Source: (Researcher, 2019)

Adjusted R^2 value was found to be 0.723. This suggests that there was 72.3% change in mitigation of customer churn in the Telco Industry can be explained by changes in Social environment, Service interface, Retail atmosphere and Price. Therefore, other factors not studied in this study contributed to the remaining 27.7% variation in customer churn in the Telco Industry. Correlation coefficient which is R showed the association that existed between the variables that were being studied. The findings revealed that the variables being studied were strongly and postively relates as shown by a correlation coefficient value of 0.876.

4.5.2 Analysis of Variance

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The selected level of significance was 0.05 and the data was concluded to be suitable for analysis if the p-value was less than the selected significance level.

Table 4.12: ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	9.189	4	2.297	26.818	.000[b]
1	Residual	12.592	147	0.086		
	Total	**55.78**	**151**			

a. Dependent Variable: Mitigation of customer churn

b. Predictors: (Constant), Social environment, Service interface, Retail atmosphere, Price

Source: (Researcher, 2019)

The study found a significance value of 0.000 which was less than 0.05 at 95% confidence interval. The F-critical value, obtained from the f-distribution tables, was less than F-calculated (2.433<26.818). This shows that Social environment, Service interface, Retail atmosphere and Price significantly influence mitigation of customer churn in the Telco Industry.

4.5.3 Beta Coefficients of the Study Variables

The beta coefficients were used to illustrate the association between the variables using a model of the structure: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where Y = Mitigate customer churn; β_0 = regression constant; β_1, - β_4 = Coefficients; X_1 is Social environment; X_2 is Service interface; X_3 is Retail atmosphere and X_4 is Price.

Table 4.13: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	0.941	0.126		7.468	0.000
	Social environment	0.341	0.052	0.284	6.558	0.005
1	Service interface	0.432	0.068	0.39	6.353	0.003
	Retail atmosphere	0.244	0.033	0.229	7.394	0.028
	Price	0.674	0.101	-0.582	-6.673	0.001
a. Dependent Variable: Mitigation of customer churn						

Source: (Researcher, 2019)

Based on the findings of the regression analysis presented in Table 4.14, the regression model became; $Y = 0.941 + 0.341X_1 + 0.432X_2 + 0.244X_3 - 0.674X_4.$

The equation above reveal that, holding Social environment, Service interface, Retail atmosphere and Price variables to a constant zero, they will significantly (p=0.000) influence mitigation of customer churn in the Telco Industry by a constant value of 0.941.

The study found that social environment is statistically significant to mitigation of customer churn in the Telco Industry ($\beta = 0.341$, P = 0.005). Social environment had significant positive relationship with mitigation of customer churn in the Telco Industry. Therefore,

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increasing social environment by a single unit would lead to an increase in mitigation of customer churn in the Telco Industry by 0.341 units.

The study found that Service interface is statistically significant to mitigation of customer churn in the Telco Industry ($\beta = 0.432$, $P = 0.003$). Service interface had significant positive relationship with mitigation of customer churn in the Telco Industry. Therefore, increasing Service interface by a single unit would lead to an increase in mitigation of customer churn in the Telco Industry by 0.432 units.

The study found that Retail atmosphere is statistically significant to mitigation of customer churn in the Telco Industry ($\beta = 0.244$, $P = 0.028$). Retail atmosphere had significant positive relationship with mitigation of customer churn in the Telco Industry. Therefore, increasing Retail atmosphere by a single unit would lead to an increase in mitigation of customer churn in the Telco Industry by 0.028 units.

The study found that Price is statistically significant to mitigation of customer churn in the Telco Industry ($\beta = 0.674$, $P = 0.001$). Price had significant negative relationship with mitigation of customer churn in the Telco Industry. Therefore, increasing Price by a single unit would lead to a decrease in mitigation of customer churn in Telco Industry by 0.674 units.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusions and recommendations. The chapter presents the summary of the findings based on the objectives of the study. Which are to determine the effect of social environment on mitigation of customer churn in the Telco Industry; to examine the effects of service interface on mitigation of customer churn in the Telco Industry; to determine the effect of retail atmosphere on mitigation of customer churn in the Telco Industry and to determine the effect of price on mitigation of customer churn in the Telco Industry. The chapter also presents the conclusions based on the findings and finally recommendations are made.

5.2 Discussion

5.2.1 Social Environment and Mitigation of Customer Churn

The study established that customers are able visit any of the organization customer centres in case they have a problem and that customer problems are solved faster. The findings concur with Gamulin, Štular & Tomazic (2015), they studied the impact of social network to churn in Mobile Network. To measure the importance of social network parameters with regard to churn prediction, the study compared three models: spatial classification, regression model, and artificial neural networks. The results indicated that using only one or two of these parameters yields results that are comparable or better than the complex models with large amounts of individual and/or social network input parameters that other researchers have proposed.

The study revealed that the organization tailors its products to meet the culture of various groups of people. The findings are in agreement to the findings of Wojewnik, Kaminski, Zawisza and Antosiewicz (2011) whose aim was to verify, which measures of individual position in a social network are important predictors of induced churn. Multi-agent simulation showed that network structure and number of operators significantly influence induced churn level and weighted prestige is its important predictor.

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The study found that the organization has an established online platform where customers can give suggestions. The findings concur with the findings of Dasgupta, Singh, Viswanathan, Chakraborty, Mukherjea and Nanavati (2008) on social ties and their relevance to churn in Mobile Telecom Networks. The primary goal was to address the role of social ties in the formation and growth of groups, or communities, in a mobile network. The results demonstrated that good prediction accuracy can be achieved by using a simple, diffusion-process that exploits social influences affecting churn.

The study also established that the service personnel are customer friendly and that the7 understand most of the customer problems. The findings are in agreement with Haenlein (2013) who did a study and focused on the importance of social interactions in the customer retention process within a directed social network and provided evidence for social interactions in customer churn decisions and showed that, at any given point in time, a focal actor was significantly and substantially more likely to defect from a provider if other individuals to whom that actor is socially connected had previously defected from the provider.

5.2.2 Service interface and Mitigation of Customer Churn

The study found that the organization interfaces are fast, and provide users with appropriate contextual feedback and the interfaces are also customized to meet individual customer needs. These findings are in agreement with Chang and Chen (2014) who did a study on the impact of customer interface quality, satisfaction and switching costs on e-loyalty: Internet experience as a moderator and found that customer interface quality, including customization, interaction, convenience and character, contributes to generating e-loyalty. Furthermore, convenience directly enhances e-loyalty; customer interface quality positively influences switching costs for customers with higher Internet experience, a phenomenon that has not previously been explored.

The study also revealed that service interface significantly influences customer churn. The findings are in agreement with the findings of Yusoff and Kairan (2015) who did a cross sectional analysis on customer interfaces in telecommunication industry with customer retention in Malaysia. Based on responses, the results showed that physical evidence, processing and people are affecting the customers' retention. The study suggests that service

industry need to improve their strategies in order to increase the performance as well as income in the telecommunication industry.

The study established that user interface can be used to promote long-term trust in the brand. The findings concur with the findings of Homburg, Wieseke and Bornemann (2013) who did a study on implementing the marketing concept at the employee customer interface: the role of customer need knowledge. The results of two large-scale, multilevel investigations involving data from three different levels (customers, employees, and managers) demonstrate the importance of CNK for the provision of customer satisfaction and customer value. In particular, CNK fully mediates the influence of employees' customer orientation and cognitive empathy on these customer outcomes.

The study also found that service interface affects customer churn. The findings concur with the findings of Kanoria, Lobel and Lu (2018) who did a study on managing customer churn via service mode control. The study found that, the firm becomes risk averse when the customer is marginally satisfied and risk seeking when the customer is marginally unsatisfied.

5.2.3 Retail Atmosphere and Mitigation of Customer Churn

A significant relationship was established between retail atmosphere and mitigation of customer churn. The findings contrast with the findings of Miswanto (2017) who study examined the influence of service quality (tangibles, reliability, responsiveness, assurance, and empathy) and store environment on customer satisfaction and the influence of customer satisfaction on repurchase intention, trust, and word of mouth on customers. The findings showed that none of service quality's dimension: tangibles and store environment have positive influences on customer satisfaction.

The study found that a set interactive screens keep the customers busy while they wait to be served and the retail centres are designed in such a way that customers can sit and relax as they wait to be served. The findings are in agreement with Rodrigues (2017) who reviewed the new trends in store environment (store mood zones, retailtainment, co-creation and interactive screens): an application to the telecommunication sector. The findings revealed that the above presented trends are valuable to improve the consumers' interest on visiting

physical stores. Nevertheless, its influence on consumer behavior may vary according to which sort of idealization and implementation is used.

The retail centres are distributed in different Counties in the country, the services in the retail center are in terms of first come first served and problems are solved very fast, and that there are enough service personnel in the retail centres who assist the customers. Store environment plays a critical role in differentiating service firms and influencing the nature of customer experiences (Pareigis, Edvardsson & Enquist, 2011).

The study revealed that the retail centres are well ventilated hence providing conducive environment for customers and that the retail centres are strategically located and hence they can easily be accessed. The findings concur with Hussain and Ali (2015) who studied the effect of store atmosphere on consumer purchase intention and from the findings, it was indicated that atmospheric variables such as cleanliness, scent, lighting, and display/layout have a positive influence on consumers' purchase intention. Also Lee and Jeong (2012) in his study on the influence of service quality and store atmosphere on customer satisfaction, he found that none of service quality's dimension: tangibles and store atmosphere have positive influences on customer satisfaction.

5.2.4 Price and Mitigation of Customer Churn

The study found a positive relationship between price and mitigation of customer churn. The findings are in agreement with Hsu and Pham (2015) who studied the effects of reference price on customer purchasing intention. The results indicated that seven of the eleven hypotheses were supported and internal and external reference pricing has shown significantly, positively influence consumer purchasing intention.

The study established that the customers are rewarded for their loyalty through provision of free airtime sometimes. The company also offers competitive prices for its services. This is important to attract more customers. This in implies that price has an influence on mitigation of customer churn. The findings are in agreement with Agwu (2014) ho did a review of the effect of price on the purchase of consumer goods and found that consumers have a perception of value reflected in prices of firms' products. It also showed that competitors price affect the purchase of firm products and that online pricing informs and affects purchase decision. Hsu and Pham (2015) studied the effects of reference price on customer

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purchasing intention and established that internal and external reference pricing showed significant and positive influence on consumer purchasing intention.

5.3 Conclusions

The study sought to determine the effect of social environment on mitigation of customer churn in the Telco Industry. The study found that social environment is statistically significant to mitigation of customer churn in the Telco Industry. The study further found that social environment had significant positive relationship with mitigation of customer churn in the Telco Industry. Therefore, based on the findings of the study, the study concluded that increasing social environment by a single unit would lead to an increase in mitigation of customer churn in the Telco Industry.

The study examined the effects of service interface on mitigation of customer churn in the Telco Industry. The study found that Service interface is statistically significant to mitigation of customer churn in the Telco Industry. The study further established that service interface had significant positive relationship with mitigation of customer churn in the Telco Industry. From the findings, the study concluded that increasing Service interface by a single unit would lead to an increase in mitigation of customer churn in the Telco Industry.

The study sought to determine the effect of retail atmosphere on mitigation of customer churn in the Telco Industry. The study found that Retail atmosphere is statistically significant to mitigation of customer churn in the Telco Industry. The study also established that retail atmosphere had significant positive relationship with mitigation of customer churn in the Telco Industry. From the findings, the study concluded that, increasing Retail atmosphere by a single unit would lead to an increase in mitigation of customer churn in the Telco Industry.

Finally, the study sought to determine the effect of price on mitigation of customer churn in the Telco Industry. The study found that Price is statistically significant to mitigation of customer churn in the Telco Industry. It was further established that price had significant negative relationship with mitigation of customer churn in the Telco Industry. Therefore, based on the findings, the study concludes that increasing Price by a single unit would lead to a decrease in mitigation of customer churn in Telco Industry.

5.4 Recommendations

The study recommends the management of Telco industries to have in place diffusion-process that exploits social influences affecting customer churn. The study also recommends that the management of the industries should ensure that their service personnel contribute to satisfaction of their customers; the personnel should be courteous, show professionalism, and attentiveness this will have positive influence on customer satisfaction and therefore increase the rate of customer retention in the industry.

The study recommends the management of the Telco industries to improve the quality of their customer interface and this includes customization, interaction, convenience and character, and this will contribute significantly in improving loyalty. The management of the companies can use technology to improve the customer experience and service delivery.

The study recommends the management of the Telco companies to improve the atmosphere of their companies by improving the design of their offices ensuring that it's appealing to its customers. Also the management of the companies can improve its retail atmosphere by ensuring that the temperature favourable and its customers get entertained and feel comfortable as they wait to receive services.

The study recommends the companies to develop plans that are price friendly to its customers; they can also have regular promotions that will motivate their costumers to stick to their brand. Loyalty programs are other ways that management of the company can ensure they are able to retain their customers.

5.5 Suggestion for Further Studies

The main focus of this study was to examine the adoption of customer experience management to mitigate customer churn in the Telco Industry. The study therefore recommends further research to be conducted on the challenges that are encountered by Telco companies in their push to mitigate customer churn.

APPENDICES

Appendix I: Introductory Letter

Strathmore University

Edna Thama Mwaura

Dear Respondent,

RE: DATA COLLECTION

I am a student at Strathmore University pursuing Masters of XXXX. I am carrying out a study about **ADOPTION OF CUSTOMER EXPERIENCE MANAGEMENT TO MITIGATE CUSTOMER CHURN IN THE TELCO INDUSTRY.**

You are kindly requested to complete the attached questionnaire so as to enable me accomplish the study. Please, note that all the information given shall be treated purely and used for academic purposes and shall be treated as confidential. Thank you for your cooperation and taking your time to complete the questionnaire.

Yours sincerely,

Edna Thama Mwaura

Appendix II: Consent Form

Investigator: Edna Thama Mwaura

Institutional affiliation: Strathmore Business School (SBS)

The study aims to examine the adoption of customer experience management to mitigate customer churn in the Telco Industry. Employees at Telco companies in Kenya will participate in the study. The study will be carried out for a period of one week. The respondents will be requested to take part in the study. Those who are willing will be provided with a consent form to sign. An explanation on the objective of the study will be provided to the respondents. There will be no risks associated with the study. The study is only meant for academic purposes. Participation will be voluntarily, a participant can withdraw from the study when they feel uncomfortable. The information provided will be stored at the University database.

Participant's name……………………………Sign……………………Date……………...

Investigator's name…………………………Sign……………………..Date……………..

Appendix III: Questionnaire

Kindly tick appropriately

Part A: Demographic Information

1. Gender

   Male   ( )   Female   ( )

2. How long have been working in the organization

   1-3 years   ( )

   4-6 years   ( )

   7-9 years   ( )

   Above 10 years   ( )

3. Kindly indicate your level of education

   Certificate( )

   Diploma( )

   Undergraduate( )

4. What is your position in the organization? ………………………………………….

5. Has your organization adopted customer experience management strategies

6. Indicate the customer experience management strategies adopted in your organization

   …………………………………………………………………………………………

   …………………………………………………………………………………………

Part B: Social Environment

7. Indicate your level of agreement on the following statements about the effect of social environment on customer churn. Using scale 1-strongly disagree, 2- disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
Our organization tailors its products to meet the					

culture of various group of people					
We solve customers' problems faster					
Our customers can visit any of the organization customer centres in case they have a problem					
Our organization service personnel are customer friendly					
Our organization service personnel understand most of the customer problems					
Our organization has an established online platform where customers can give suggestions					
Our organization services are available for 24 hours					

8. Indicate other effects of social environment on mitigation of customer churn in the Telco Industry.

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Part C: Service interface

9. Indicate your level of agreement on the following statements about the effects of service interface on customer churn in the Telco Industry. Using scale 1-strongly disagree, 2- disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
Our organization has developed online platforms where customers can look for the available company products					
In our organization customers are able to communicate with service personnel online					
Our organization user interface promotes long-term trust in the brand					
Our organization service interfaces are easy to					

	1	2	3	4	5
understand and operate					
Our organization interfaces are fast, and provide users with appropriate contextual feedback					
Our organization interface ensures customers privacy					
Our organization interfaces are customized to meet individual customer needs					

10. Indicate other effects of service interface on customer churn in the Telco Industry.

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Part D: Retail Environment

11. Indicate your level of agreement on the following statements about the effect of retail Environment on customer churn in the Telco Industry. Using scale 1-strongly disagree, 2- disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
Our retail centres are well ventilated hence providing conducive environment for customers					
Our organization has enough service personnel in the retail centres who assist the customers					
Our retail centres has a set interactive screens which keep the customers busy while they wait to be served					
Our retail centres are strategically located and hence they can easily be accessed					
Our retail centres are distributed in different Counties in the country					
Our retail centres are designed in such a way that customers can sit and relax as they wait to be served					
Our services in the retail center are in terms of first come first served and problems are solved very fat					

12. Indicate other effects of retail environment on customer churn in the Telco Industry

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Part E: Price

13. Indicate your level of agreement on the following statements about the effect of price on customer churn in the Telco Industry. Using scale 1-strongly disagree, 2- disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
Our organization reward's loyal customers from time to time					
We organize customer promotions annually					
Our organization reward customers with free internet in holidays					
Our company has held promotions where customers win cash					
Our company has partnered with other organizations to reward customers					
In our organization all customers have equal chances on winning the promotions					

14. Indicate other effects of price on mitigation of customer churn in the Telco Industry.

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……………………………………………………………………………………………

Part F: Mitigation of Customer Churn

15. Indicate your level of agreement on the following statements about mitigation of customer churn. Using scale 1-strongly disagree, 2- disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
Customer experience management increases volume of sales					
Customer experience management has increased customer base					
Customer experience management has improved service delivery					
Customer experience management has facilitated customer satisfaction					
Customer experience management has improved customer loyalty					

THANK YOU