CUSTOMER RELATIONS INFLUENCE AND IT’S RELATIONSHIP WITH CORE COMPETENCE: A CASE OF MOBILE COMMUNICATION SERVICE PROVIDERS

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MBA

Master’s Thesis in Business Administration

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Date of submission: 07-06-2011

COMPLETE MBA THESIS
ABSTRACT

**Purpose:** The purpose of this thesis is to study and show how a customer relation through its strategic key elements is related to Core competence.

**Design and Methodology:** This is a case study approach involving multiple cases for mobile telecommunication service providers from two countries namely, Tanzania and Zambia employing a qualitative research design. Literature review and theoretical framework resulted into a proposal of a theoretical model of relationship between Customer relations and Core competence. Open ended questions were designed so as to gain as much information as possible from respondents; data were mainly collected through survey questions and face to face interviews. Collected data were then analyzed using pattern matching technique and theoretical model tested against the observed or actual model after data analysis and discussion of findings.

**Findings:** This study examines the relationship between Customer relations and Core competence of a business. Customer relation strategies which are aimed at creating and maintaining a strong Customer relations-base can only be fully implemented or executed from a backing or support of an efficient Core competence, in other words, Core competence improves and maintains a good and strong Customer relations base.

**Applicability/Value:** This research holds value and adds knowledge to the domain of strategy in general and in particular in the area of Customer relations and core competence. Though it may be limited in certain ways such as the type of industry researched, it certainly underscores important issues to the understanding of customer relations and core competence concepts and this knowledge can help in developing successful customer relations leading to increase in market share, leadership and hence business profitability.

**KEYWORDS:** Customer relations, Core competence, Influence, Relationship, Customer relations strategies
Acknowledgements

A manuscript of this nature of study can only be a synthesis of ideas and research work conducted by scholars before us whose efforts we duly acknowledge. We pay glowing tribute to Dr. Urban Ljungquist not only because of his valuable and constructive criticism he offered us during our research work in his capacity as our thesis supervisor but also for his outstanding accomplishments and contributions to the field of strategy in general.

Many individuals made their own unique contributions to this work in ways that we cannot begin to imagine and the list is endless, not forgetting the respondents to our questionnaires. We applaud them all. Special tribute goes to both MTN and AIRTEL Zambia management for availing us their members of staff who made it possible for us to get practical data on the unique importance of their customers in the value chain. Thus, we value the input of both AIRTEL Customer Services Director and MTN Manager Customer services; Mr. Mato Shimabale and Ms. Mzyece Chimfwembe respectively.

We also want to thank our classmates Rachel Reid and Maria Andersson for providing us that critical lens through which we saw loopholes in our research work and consequently managed to see a bigger picture of what was expected of us.

Lastly but not the least, I, Joachim, would like to equally thank my wife for unending support and even taking trouble of staying over with me during reading, typing and compiling of this report.

Mussa and Mwanakatwe

June, 2011
ABSTRACT .................................................................................................................................................. 2
ACKNOWLEDGEMENTS .......................................................................................................................... 3
CHAPTER ONE ........................................................................................................................................... 7
  INTRODUCTION ........................................................................................................................................ 7
    1. BACKGROUND .................................................................................................................................. 7
    1.1 PROBLEM DISCUSSION .............................................................................................................. 8
    1.2 PROBLEM FORMULATION AND PURPOSE .......................................................................... 9
CHAPTER TWO ........................................................................................................................................ 10
  THEORY ................................................................................................................................................ 10
    2.0 INTRODUCTION .................................................................................................................. ........ 10
    2.1 CUSTOMER RELATIONS ............................................................................................................ 11
    2.1.1 Customer loyalty ................................................................................................................ 11
    2.1.2 Service Quality ............................................................................................................... 11
    2.1.3 Communication ............................................................................................................. 12
    2.1.4 Innovation .................................................................................................................... 12
    2.1.5 Customer Care ............................................................................................................. 13
    2.1.6 Customer Value .......................................................................................................... 14
    2.2 CORE COMPETENCE .............................................................................................................. 14
    2.3 THEORETICAL FRAMEWORK ............................................................................................. 18

FIG 1: PROPOSED RELATIONSHIP STRUCTURE MODEL ................................................................. 21
FIG 2: CONCEPTUAL MODEL ................................................................................................................ 22
CHAPTER THREE ......................................................................................................................... ................... 23
  METHODOLOGY .............................................................................................................................. 23
    3.0 INTRODUCTION ................................................................................................................ 23
    3.1 Research Approach .............................................................................................................. 23
    3.2 Sample Size ......................................................................................................................... 25
    3.3 Data Collection .................................................................................................................... 25
    3.3.1 Primary Data ............................................................................................................. 25
    3.3.2 Secondary Data ........................................................................................................ 27
    3.4 Data Analysis ..................................................................................................................... 27
    3.4.1 Collecting and processing of Data .................................................................................. 29

TABLE 1: SURVEY QUESTIONS ASKED TO SELECTED CUSTOMERS ......................................... 30
TABLE 2: FACE TO FACE INTERVIEW QUESTIONS CONDUCTED WITH MANAGERS AND
FRONTLINE STAFF ................................................................................................................................. 31

3.5 RESEARCH LIMITATIONS ........................................................................................................ 31

COMPLETE MBA THESIS
FIGURES

Fig 1: Proposed relationship structure model ................................................................. 21
Fig 2: Conceptual model .................................................................................................. 22

TABLES

Table 1: Survey questions asked to selected customers ..................................................... 30
Table 2: Face to face interview questions conducted with managers and frontline staff ....... 31
Table 3: Customer relations aspect .................................................................................. 39
Table 4: Core competence aspect .................................................................................... 40
Table 5: Perceived relationship aspect of Core Competence and Customer relations ........ 41
Table 6: Perceived relationship aspect of Core Competence and Customer relation Strategies .... 42
CHAPTER ONE

INTRODUCTION

1. BACKGROUND

Customer relations and Core competence are very important resources that the company must possess. There have been several studies done along these areas and that their importance cannot be undermined as they are keys to company success in the competitive market. Successful customer relations will give the company a lead and an edge against its competitors in the market as customer related aspects such as, customer experience, loyalty, satisfaction, and retention, etc are ensured. Core competence on the other hand differentiates the company from its competitors through its competencies, capability and resource and therefore giving it a competitive advantage.

A need thus, exists to expand our understanding on these important issues through research to consequently contribute knowledge in this domain. This study explores the components of and which are strategies of Customer relations, establishing the relationship between customer relations with core competence. This is accomplished by doing a case study on chosen companies operating as mobile telecommunication service providers in two countries namely Tanzania and Zambia.

With the opening up of their international communication gateways, many African countries have witnessed a surge in the level of investment in this sector of the economy. In fact, the telecom sector today is one of the major contributors driving economic growth in most African countries. While some players in this sector have and continue to record profitable growth, others have not been as profitable. Our firm specific focus within the telecom sector is AIRTEL and MTN in Zambia and; AIRTEL and VODACOM in Tanzania. For instance, of the two dominant telecom companies in Zambia which one of them has more customer base? And would we relate
customer base to core competence traits within a company in anyway? Do customer relations play any influence on the performance of different working elements within a company?

1.1 PROBLEM DISCUSSION

Core competency is an area of specialized expertise for an organization, it’s a collective learning of an organization, especially on how to coordinate diverse production skills and integrate multiple streams of technologies (Prahalad & Hamel, 1990). Core competence concept describes how a large organization can prosper and achieve competitive advantage (Ljungquist, 2007). Core competence is a valuable resource that the company can own, it needs constant development and improving to avoid it being imitated by competitors. Customer Relations on the other hand, refers to the interaction between the company and the customer with an ultimate aim of building that long term relationship. Customer relations has evolved from 1960s when it was regarded only as a customer complaints management section to Customer relations department (Bhote, 1996; Eppe, 1997; Vavra, 1995) seeking to build a solid Customer base relationship. But could there be a link conceptually, empirically or otherwise between core competence and customer relations? There has been extensive work carried along these two lines and their respective components but not specifically identifying the relationship between them. More research, therefore, is required towards this area; to understand the practical applications and to formulate more proven theoretical details. It is, thus, the aim of this Thesis to do a research study on the relationship between customer relations and core competence. For this research work and in trying to keep our work focused, we will endeavor to identify key customer relations strategies or the main components of customer relations and then establish or formulate a relationship between these key customer relations strategies and how they influence and/or relate with core competence. We believe this approach to studying the relationship between customer relations and core competence provides a meaningful and clear perspective as it breaks up customer relations into separate components or constituencies and how these components relate and influence core competence.
1.2 PROBLEM FORMULATION AND PURPOSE

1.2.1 Problem formulation: To research and study customer relations influence on company core competence

1.2.2 Purpose

1.2.2.1 To study customer relations; its components; and core competence
1.2.2.2 Formulate a theoretical relationship between these customer relations components or strategies and company core competence

In the theory chapter, the document at the end presents a proposed theoretical model gathered from the study of literature review and previous related work on Customer Relations and Core Competence.
CHAPTER TWO
THEORY

2.0 INTRODUCTION

Core Competence - Customer Relations influence; presents itself as an interesting phenomenon particularly in the context of today’s company management. For instance, do customers and the manner in which they relate to the company play a role on company core competencies? Organizations compete for customers, profit and market share with their products and services that meet customers’ needs. Core competencies are innovative combination of knowledge, special skills, proprietary technologies, information and unique operating methods that provide the product or service that, customers’ value and want to buy (Gupta, 2009). In fact, the focus of core competence is the customer. So the identification and development of core-competencies should be done by keeping the customer at the centre (Gupta, 2009). If a qualification criterion of a core competence is that it must enhance the benefits a customer derives from using a product or service; must have the ability to make the company have access to a wide market; and that competitors must find it difficult to imitate then the converse is true, meaning it is possible to trace the influences of a customer and markets and their effects on a core competence. In short, the relationship is symbiotic. The purpose of this research work is to identify key customer relations strategies or the main components of customer relations and then establish or formulate a relationship between these key customer relations strategies and how they influence core Competence.

Lastly, to systematically accomplish the purpose of this research work a separate and individual analysis of customer relations and core competence is conducted. A theoretical framework discusses possible synergies between customer relations and core competence. These synergies form the basis of formulating the relationship between customer relations and core competence. Later a theoretical model is formulated with a view to not only synthesize but consolidate the overall picture of the relationship between customer relations and core competence.
2.1 CUSTOMER RELATIONS

Customer relations is the process by which companies promote customer satisfaction and, moreover, loyalty. At its most basic, it involves managing communications with customers, particularly customer questions and complaints, and resolving disputes amicably. Ultimately the goal of most customer relation programs is to build long-term relationships—those in which the customer keeps buying the product or service and recommending it to others—with customers (Reference for Business, Encyclopedia of Business, 2nd edition).

2.1.1 Customer loyalty

A well-developed customer relations program should be able to turn occasional customers into loyal buyers. Customer relations specialists, though, distinguish loyalty from satisfaction, noting that it's possible for customers to be satisfied but have no particular loyalty (Reference for Business, Encyclopedia of Business, 2nd edition), moreover there is evidence that transaction-oriented customers, not interested in a loyal relationship, also can form a profitable segment which should not be neglected (Reinartz and Kumar, 2000). Loyalty, however, is the feeling that a customer has about the brand. Loyalty ultimately generates positive and measurable financial results. Improvements in retention and increase in share of customer are the obvious economic benefits (Duffy, 2003).

2.1.2 Service Quality

In customer relations, service quality is regarded as one of the few means for service differentiation and competitive advantage which attracts new customers and contributes to the market share and that it is an important means for customer retention (Venetis & Ghauri, 2004). In a world where more and more products and services are becoming alike, there is so much choice: choice of supplier, choice of channel, choice of products and services. The real question to ask is, ‘How do your products or services stand out from the crowd?’ Differentiation is the order of the day (Wellington, 2010). Consequently the implication of this abundant sea of
choices is that the quality of the product and customer service must be one of supreme importance. It has been argued that service excellence enhances customers’ inclination to buy again, to buy more, to buy other services, to become less price sensitive, and to tell others about their positive experiences (Anderson and Fornell, 1994; Anderson et al., 1994; Rust et al., 1995; Zeithaml et al., 1996; Bolton et al., 2000). Empirically this, assumption is supported by several studies that consistently find a positive impact of service quality on customers’ behavioral intentions. Bitner (1990), Bolton and Drew (1991), Boulding et al. (1993) and Cronin and Taylor (1994) find that service quality has a positive impact on customer’s repurchase intentions and intentions to recommend the company to others.

2.1.3 Communication

This customer relations strategy greatly enhances a company relationship with a customer. The main aim must always be to build a ‘trusted advisor’ relationship with a customer by showing genuine interest, not just in the immediate topic you are discussing, but also in broader picture issues (Wellington, 2010). By being close to the customer, a company must quickly focus on developing fresh customer insight and establishing digital channel leadership that will allow them to transform customer experience, open new markets and reduce organization complexity (Baird and Wertz, 2011). Within communication, strategic methods such as face-to-face interactions with a customer have been described as a competence important in the relationship with customers (Harwood, 2005) and a competence essential to the longevity of a business relationship. This form of communication strategy equally provides insights into customer feelings and perceptions about the company and when properly managed face-to-face relations with customers can act as a vehicle through which wider opportunities or markets could be derived.

2.1.4 Innovation

In today’s dynamic and highly competitive business landscape innovation is critical. Companies at the leading edge of innovation are likely to succeed and gain significant market share in the long run. Empirical studies show the relevance of early customer integration within a company’s
innovation process (Peplow, 1960; Enos, 1962; Knight, 1963; Freeman, 1968; Meadows, 1969; Utterback, 1971; Berger, 1975; Boyden, 1976; von Hippel, 1976; Lionetta, 1977; van der Werf 1982; Shaw, 1985; Voss, 1985; Biegel, 1987; Gemünden et al., 1992, 1996; Riggs, von Hippel, 1993 and Slaghter, 1994). Prahalad and Ramaswamy (2000) describe how customers moved from being passive recipients of product development in the 1970s and early 80s towards demanding to play a more active role in the 21st century. “Consumers can now initiate the dialogue; they have moved out of the audience and onto the stage” (p. 80). Consumers can now be co-creators of values because they are seen as a source of competence (Gassmann & Enkel, 2004). Besides systematizing the innovation process, the creative centre also searches for and connects with key customers in order to integrate their knowledge and demands into future research scenarios (Gassmann & Enkel, 2004). A strategy called six-sigma, espouses mass customization, and recognizes that each customer is unique and has highly individualized requirements. Each customer today wants exactly what he wants, where he wants it, when he wants it, at the price he wants (Bhote, 2003). The open innovation paradigm as coined by Henry Chesbrough is based on the premise that external sources, just as equally as internal ones, are important in the innovation process. It is defined as the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively. Open innovation is a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as they look to advance their technology (Chesbrough, 2005).

2.1.5 Customer Care

The strategic value of customer care is another evolutionary driver having a profound impact on customer relations and whose ultimate results are increased customer responsiveness and satisfaction, creation of customer loyalty and increased retention, lower marketing and account acquisition costs and enhance corporate image and competitive advantage (IBF Management, LCC, 2004). It is equally true that companies that understand how customer preferences are evolving are those most likely to be well positioned to assume market leadership positions over the next few years (Baird and Wertz, 2011). Finally, satisfied customers feel good only as long
as their current needs are met and only as long as they perceive that a supplier is giving value (Wellington, 2010).

2.1.6 Customer Value

Any company needs to build that important one-on-one customer relationship. Customers achieve greater [customer] value when the overall perceived benefits derived from products, services and brand exceed a meaningful margin of the cost of obtaining these benefits. Customer relationship marketing attempts to create additional customer value through personalized communication, extra services, customized products, and special price offerings. Of course, these added customer benefits come at some cost to the customer. When the customer perceives the overall benefits exceeding the overall costs by a meaningful margin, there is an attractive level of customer value in the one-on-one customer relationship (Best, 2009). The importance of customer value just like the other strategies mentioned, enhance customer experience, customer focus, customer awareness and comprehension as well as satisfaction. It also places a company in a position where it empathizes with each customer in that one-on-one relationship.

2.2 CORE COMPETENCE

The concept of core competence, as fundamental to organizational renewal and as a driving force behind strategic change interests both managers and scholars. It is a complex and challenging concept: it is difficult to specify theoretically, to identify empirically as a phenomenon, and to apply in practice (Bani-Hani & AlHawary, 2009). Scholars have recently recognized these problems in general conceptual discussions (Hafsi and Thomas, 2005) and in core competence-specific empirical research (Wang et al., 2004). However, as a simple definition, earlier researchers in this strategy domain defined core competence as a bundle of skills and technologies that enable a company to provide a particular benefit to customers (Hamel and Prahalad, 1994). Core competencies are not product specific; they contribute to the competitiveness of a range of products or services. They are the roots of competitiveness and individual products and services are the fruit. A core competence is a tapestry woven from the...
threads of distinct skills and technologies (Hamel and Prahalad, 1994). A skill must meet three tests to be considered as a core competence, i.e., customer value, competitor differentiation, and extendibility (Bani-Hani & AlHawary, 2009). A company core competence is a company’s strategic strength. Core competencies are particular strengths relative to other organizations in the industry which provide the fundamental basis for the provision of added value (Bani-Hani & AlHawary, 2009). It is what the company does best and what it should never outsource; organizational core competencies—the unique resources of an organization—affect many products and services and provide a competitive advantage in the marketplace (Johnson & Scholes, 2002). There are three associated concepts with core competence, namely; competence, capability and resource (Prahalad CK, 1993); and these have different characteristics, all of which could influence a core competence (Ljungquist, 2010). A competence is the ability to sustain the coordinated deployment of assets in ways that help a firm to achieve its goals (Sanchez, 2004). A capability is a tangible or intangible; it is firm specific and created over time through interaction between resources (Amit & Shoemaker, 1993) or strategically understood business processes (Stalk, Evans & Shulman, 1992) while a resource is an input to the value process (Grant, 1991). The process of identifying core competencies usually entails having employees identify core competencies by scanning and assessing company-critical resources, capabilities, and competencies (Prahalad & Hamel, 1990) three factors commonly referred to as “associated concepts”. Core competencies should not be confused with core technologies and/or capabilities. Core technologies are a component of core competencies. In other words, core competence results when a business learns to harmonize multiple technologies (Prahalad, 1993). However, for core competence issues, understanding company history is also important for practical reasons since today’s products exist because of previous investments in core competencies. Neglecting to make the necessary investments is known as the “innovators dilemma” which has also been studied empirically (Ljungquist, 2010).

In further discussing core competence, three criteria for something to be termed a core competence according to Gary Hamel and CK Prahalad include;

1. Core-competence provides potential access to a wide variety of markets. That is, the competence should give access to new product arenas, arrayed from its current embedded products.
2. A Core-competence should make a significant contribution to the perceived customer benefits of the end product. This does not mean that the customer must be able to identify the competence \textit{per se}, but that it would be a great disadvantage if it were missing.

3. A Core-competence should be difficult for competitor to imitate. And it will be difficult if it is a complex harmonization of individual technologies and production skills. This means that while competitors may also have the competence, only one company in the industry can gain core competence from it. Companies may need certain competencies to be able to participate as fully as competitive in an industry. These competencies are not core, but necessary.

Competencies are commonly agreed to reside in individuals and teams of individuals, implying that the competence concept involves a cumulative hierarchy. Some researchers have also dissected competence in terms of “distinctive competence” and “core distinctive competence” (Eden and Ackermann, 2000). Distinctive competence is a particular strength within a company that is difficult to imitate and may be used to generate sustainable profits; core distinctive on the other hand are competencies that primarily drive the aspirations systems (Eden and Ackermann, 2000, p. 16). Another hierarchy involves three competence categories: distinctive competencies, which are the most important in a company; necessary competencies, which do not differ from those of competitors but which are needed for operational reasons; and protected competencies, which can hurt the company if misused (Heikkilä and Cordon, 2002). In a word, core competencies are particular strengths relative to other organizations in the industry which provide the fundamental basis for the provision of added value (Bani-Hani & AlHawary, 2009).

As a widely researched area, other scholars have defined a firm’s core competence as “the vector of the irreversible assets along which the firm is uniquely advantaged; although the vector is multidimensional, reflecting the entire system of tangible and intangible resources that the organization has in place, it is commonly represented on a single plane” (Collis, 1991, pp 51). The vector described in this context by Collins, though, can be seen as path dependent (Dierickx & Cool, 1989; Leonard-Barton, 1992), in the sense of it being an accumulation of historic decisions and investments. Thus, here core competence is seen not as a future investment, but as being determined by history (Ljungquist, 2007).
Rumelt another scholar in this field suggests that core competencies can be distinguished by four attributes: a) they are capabilities that span different aspects of a company, such as different businesses and different products; b) they change more slowly than their resulting products; c) they take place through collective learning; and d) the competitive locus is at stake for acquisition of skills (1994). The concept has also been contrasted with the process of innovation, in comparing companies with different degrees of performance (Pennings, Cobbenhagen & den Hertog, 1996). Pehrsson proposes that the focus on core competence in highly related businesses leads to high strategy competence and performance (2006a), while Godbout brings in human resource management as critical in building core competencies (2000). Core competence has also been viewed as a strategic platform that eases a company’s redeployment of resources in order to promote changes and opportunities (Unland & Kleiner, 1996). It is a strategic flexibility, in particular regarding resource deployment and routine reorganization (Hafeez et al, 2002). They define a competence as collectiveness: “the integration of key capabilities in the company wide business activities” (p. 32). The existing literature also contains an explorative empirical study of 12 multinational companies (Mascarenhas et al., 1998). The findings reveal three types of core competencies: superior technological know-how, reliable processes and close relationship with external parties.

The most common criteria for technological competence were exposure to a demanding technical, operating or economic environment. For reliable processes competence, the necessary requirement was a mix of formal and informal corporate culture that minimizes waste, delivers customer value and delivers standards and minimal deviations. The last competence, close relationship with external parties, was most commonly developed through acquisitions and to market the company’s international reach to partners and to forge external relationships through attractive technologies and/or reliable processes (Ljungquist, 2007).

Finally, not all competencies are relevant as core competencies, since core competencies cannot be assets (or things) such as patents, brands, production facilities and raw materials (Prahalad & Hamel, 1990).
2.3 THEORETICAL FRAMEWORK

Having identified key customer relations strategies; we now need to establish or formulate their relationship and influences on core competence. As we relate these customer relations strategies to core competence, we have kept in mind the definition of the latter; that is, a core competence should make a significant contribution to the perceived customer benefits of the end product, must be difficult for competitors to imitate and should provide potential access to a wide variety of markets (Prahalad & Hamel, 1990; Hamel & Prahalad, 1994). Thus, in this study, the relationship existing between a given customer relations strategy and core competence is based purely on the former’s conformity to the definition of core competence as amply laid out by Gary Hamel and CK Prahalad. In some instances, however, we relate and qualify a particular strategy to core competence when they fulfill at least two of the three criteria as defined by the authors stated.

The influence(s) on the other hand highlights the traits that each customer relations strategy inherently possesses and whose impact on the business environment can be determined in measurable terms. The term ‘measurable’ in this document is loosely connected to how much a given strategy influences customer retention, product or service differentiation, what opportunities and competitive advantage it creates; as well as market share and profit it generates for the company. This study presupposes that the influences reinforce the kind of relationship that exists between a given customer relations strategy and core competence. For instance, service differentiation (influences) company processes in unique ways that make it difficult for competitors to imitate.

Our research model structure adopts a conceptual approach and link customer relations strategies to core competence highlighting all the assumptions made (figure 1). Duff observes that customer loyalty [programs] generates positive and measurable financial results leading to improvements in retention and increase in share of customer (2003). Customer loyalty thus, influences and relates to core competence both because it contributes to increase in customer
share (wider access to markets) and improves retention (contributes to perceived customer benefit of the product).

Service quality is a vehicle for service differentiation and competitive advantage which attracts new customers thereby contributing to the market share and which is an important means for customer retention (Bitner, M.J. (1990, Bolton, R.N. and Drew, J.H. 1991, Boulding, W., Ajay, K., Staelin, R. and Zeithaml, V.A, 1993, Cronin, J.J. Jr and Taylor, S.A. 1994). Further, Bitner (1990), Bolton and Drew (1991), Boulding et al. (1993) and Cronin and Taylor (1994) find that service quality has a positive impact on customer’s repurchase intentions and intentions to recommend the company to others. Service quality influence on core competence is twofold, through differentiation, it is capable of attracting new customers by way of customer recommendation of the product to others, thereby contributing to increase in market share; secondly, it is a means for customer retention. Its relationship to core competence based on the above stated influences is that, it makes a company have access to wider markets and also contributes to perceived customer benefit of the product.

Communication and in particularly face-to-face as an important element in customer relations enhances the relationship with a customer. Face-to-face interactions with a customer have been described as a competence important in the relationship with customers (Harwood, 2005) and a competence essential to the longevity of a business relationship. By being close to the customer, a company must quickly focus on developing fresh customer insight and establishing digital channel leadership that will allow them to transform customer experience and open new markets (Baird and Wertz, 2011). In the study on 12 multinational companies (Mascarenhas et al., 1998) for instance, one of the clearly identified core competence is close relationship with external parties. This customer relations strategy provides insights into customer feelings and perceptions about the company and when properly managed can act as a vehicle through which wider opportunities or markets could be derived. Its influence and relationship on core competence are customer insight and more opportunities; perceived customer benefits of the end product and wider access to markets respectively.

Companies at the leading edge of innovation are likely to succeed and gain significant market share in the long run (Berger. A, 1975; Boyden. J, 1976; Einsenhardt, K and Martin, J, 2000;

Customer care profoundly impact on customer relations with ultimate results being increased customer responsiveness, satisfaction and retention, lower marketing and account acquisition costs and enhance corporate image and competitive advantage (IBF Management, LCC, 2004). Companies which understand how customer preferences are evolving are those most likely to be well positioned to assume market leadership positions over the next few years (Baird & Wertz, 2011). This customer relations strategy influences core competence through customer retention and providing a company with a competitive advantage; and whose relationship result is customers benefit from the products perceived value and difficulties in competitor imitation of the company and its processes.

Customer value as a customer relations strategy, attempts to create additional [customer] value through personalized communication, extra services, customized products, and special price offerings (Best, 2009). The customer benefits through enhance customer experience, customer focus, customer awareness and comprehension as well as satisfaction. Satisfied customers are less likely to leave the company; therefore, retention is achieved; which in itself forms its influence on core competence. The relationship on the other hand is that since retention is achieved through it, customers benefit from the products perceived value.

As can be seen from the preceding theoretical framework analysis reinforced graphically by the proposed relationship structure model in figure 1, clearly the identified customer relations strategies form synergies and linkages with core competence. The existing synergies; that is, the influences and relationships on one hand, and the customer relations strategies on the other together form the foundation for the proposed conceptual model presented in figure 2 making it therefore, the research model of this study.
Fig 1: Proposed relationship structure model
Fig 2: Conceptual model: The relationship structure model in figure 1 is condensed and arranged in a conceptual model (figure 2) to clearly show the actual constituencies or elements comprising both the relationship and influences between customer relations strategies and core competence. Since the purpose of this study is to determine the overall influences and/or relations between customer relations and company core competence, figure 2 clearly brings these aspects to the fore.

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Customer Relations

Core Competence

Components

Customer Relations Strategies

A two way relationship link- strategies depend on and will only be successfully implemented using available core competence, this in turn creates an efficient Customer relations base.

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Theoretical Link

Proposed Link
CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This Chapter discusses the Methodology employed in this research. The chapter comprises of some main sections. The first section gives a brief overview on methodology; section two explains the research design and defends the choice for the type of research, that is, case study and the adopted method which is qualitative research. Section three discusses sampling design and sample size while the fourth section discusses the techniques employed for data collection as well as question designs, lastly section five looks at the process of preparation of empirical data for analysis as well as limitations, challenges and ethical issues considered in this research.

3.1 Research Approach

A Research Methodology is a philosophy or the general principle which will guide a research (Dawson, 2002). There are various ways or approaches of doing research (Yin, 2003; Creswell 2007; Dawson, 2002). According to Yin, the major ways applied on doing research are case study, experiments, surveys, histories and the analysis of archived data (Yin, 2003).

Yin goes further to distinguish these strategies from each other and that each may have either advantage or disadvantage when applied depending on three conditions which are; type of research question, control that the researcher has over behavioral events and the focus on contemporary as opposed to historical phenomena (Yin,2003).

The three conditions mentioned previously are ones which basically distinguish the strategies and characterizes them, however, the strategies may overlap each other. The importance is to be able to use a strategy or an approach which will prove advantageous in the research (Yin, 2003).
In summary, the first condition answers the questions of the research: typical questions of the research; ‘who?’, ‘what?’ ‘where?’, ‘how?’, and ‘why?’(Yin, 2003), that is, choose strategy based on the main inquiry of the research; however a combination of these methods can be used. Control over behavioral events for the researcher refers to the ability or inability of the researcher to directly manipulate or change the behavior relating to the events of the research and finally is the condition on the research being contemporary as opposed to historical data (Yin, 2003).

Coming back to this research, the how and why questions are primary, looking on what are the company strategies that are influenced by Customer relations and how they are connected with core competence. Therefore, for this Research, Case study is used as an approach to gain understanding on the ‘what’, ‘how’ and ‘why’ questions (Yin, 2003). Yin states that Case study is a preferred strategy when the investigator has little control over the events, it is used in many situations to contribute to our knowledge of organizations, individuals, social, political, economics, Business, etc.( Yin,2003).

A case study is a good approach when the inquirer has clearly identifiable cases with boundaries and seeks to provide depth understanding of the cases or comparison of several cases (Creswell, 2007,pg.74).

This research will be a comparative of two companies in the mobile telecommunication service business for both Tanzania and Zambia. The research method chosen is qualitative. A qualitative research explores attitudes behavior and experiences, a research with written words like, ‘discover’, ‘experiences’, ‘problems’, behave/behavior’ suggest a leaning unto qualitative research (Dawson, 2002).

Case study research is a qualitative approach in which the investigator explores a bounded system (case) or multiple bounded system (cases) over time through detailed in-depth data collection involving multiple sources of information (e.g., observations, interviews, audiovisual materials and documents and reports), and reports a case description and case based themes (Creswell,2007, pg.73)

The initial stages of this qualitative research are to do an in-depth study of available literature and techniques regarding the research problem; that is, discovering key customer relation strategies of the company that are constituted in Customer relations and then draw the link with core competence and thereby contributing to the knowledge along this field of study.
3.2 Sample Size

Qualitative Research is aimed at getting the knowledge of the problem in question and therefore not necessarily the count of numerical numbers of how many responded yes or no (Dawson, 2002). Thus to get an anticipation of what people or participant would likely say, a proposed sample size will comprise of two employees one of which must be a in managerial position and taken from each of the case study companies (two service providers in Zambia and two from Tanzania); for a face to face or telephone interview - this is aimed at obtaining information on the company’s business strategic strengths and how they are influenced by customer relations policies set by the company. Interviews are also set to be conducted with ten randomly selected subscribers from each network to gain more feedback on the value of service provided; at the same time soliciting what there distinguished performance strengths (core competence) of each service provider. It is anticipated that this data is expected to be useful in drawing the link between Customer relations and core competence.

3.3 Data Collection

3.3.1 Primary Data

As stated above, data collection is done as face to face or telephone-call interview for company managers, and selected interviewees, semi-structured questions are asked pointing to a specific information, data collected or answers to these questions will be easily contrasted with other interview conducted elsewhere (Dawson, 2002). Semi-Structured interview questions avoid having too many data which can be difficult to analyze or transcript (Yin, 2003; Creswell, 2007). Responses to specific questions form a topic by itself. Group one participants who are comprise frontline members of staff and their managers in the customer relations departments are as below:-
3.3.1.1 Describe the importance of customer relations to your business in the competitive market place?
3.3.1.2 State some common or otherwise challenges and difficulties you encounter in your day today interaction with customers?
3.3.1.3 What is your company strategic strength?
3.3.1.4 How would you relate your company strategic strength to the overall customer relations policy with your company?

Group two questions were specifically aimed to mobile service users or customers from across all the case study companies, the questions were intended to collect information on how the company’s customer relations is perceived as well as its core competence, users of service or product are the trustworthy source to tell how the company is performing in the market even to describe possessed core competence. These were randomly selected customers and below were the questions asked:-

3.3.1.5 What are your service providers’ distinguished value(s) or capabilities in meeting your service needs?
3.3.1.6 How can you describe the level of customer relationship with your service provider?
3.3.1.7 Does customer relations of your service provider relate to the company capabilities? Please briefly explain how
3.3.1.8 How does each of the below reflect or relate to your service provider’s competencies, capabilities and resources;
   - Level of Service Quality received
   - Communication with your provider
   - Satisfaction (service received meets expectations)
   - Network coverage (availability)
3.3.1.9 What is your view on how a service provider (please describe a Service provider [ideal one] of your preference) should relate its competencies, capabilities and resources with its Customer relations strategy?

3.3.2 Secondary Data

Literature review is done hand in hand with this research as it helps in explaining emerging results from the interviews or data collection (Dawson, 2002) related to the questions. Therefore several literature sources on Customer relations and core competence are explored along with this research, literature sources are from the internet sites, annual reports, books, journals and articles, magazines, newspapers, case studies related to this research. It is evident that the initial model projected as per figure 1 accounts for the observed pattern of related work of research as this one.

3.4 Data Analysis

Data analysis refers to examining, categorizing, verifying and testing the collected data in order to get meaningful outcome of the research (Yin, 2003). Three strategies for analysis are relying on the theoretical proposition of the research reflecting the research, this strategy is in common use as it eases the organization of the entire research and can suggest different alternative explanation which can be examined, secondly is the setting up a framework in relation with rival explanation, this is a relevant strategy even in absence of a theoretical proposition, it tries to explain the existence of other or different outcomes than what was proposed earlier and lastly is developing case descriptions, this is, not so common strategy and used only as an alternative if the previously explained strategies are difficult to use for a research (Yin,2003)

The above analysis strategies can use five different techniques to analyze collected data, these are: pattern matching, explanation building, time series analysis, logic-models and cross-case synthesis (Yin, 2003), the first four can be used to analyze single or multiple case study while the
last one can only be used for multiple case studies (Ibid.). Pattern matching is suitable in both descriptive and explanatory researches, it compares an empirical pattern with the proposed or predicted one (Ibid). Explanation building is mainly relevant to explanatory type of research and it has a danger of drifting from the original pattern during the explanation process, time series analysis is suitable to trace change for predicted outcomes over time, logic models stipulates a chain of complex predicted events over time while cross-case synthesis is used to analyze more than one case study. This research utilizes pattern matching to describe the relationship between customer relation strategies and core competence.

This research is founded from both primary and secondary data, a theoretical proposition is drawn from in-depth literature review and theoretical framework which observed that Customer relations has a linkage to core competence, therefore primary data were analyzed to describe how this relationship is by testing the theoretical proposition using both pattern matching and cross-case synthesis since more than one case studies are involved. Pattern matching as explained above is a technique normally used when trying to link two patterns, one a theoretical pattern and the other an observed or empirical pattern resulting from the analysis of collected data (Trochim,1989)

Writing on qualitative research data analysis, Miles & Huberman [48] explain three stages involved in pattern matching analysis, these stages were ones used to analyze data of this research. The stages are data reduction, this means sorting data in order to filter them and discard irrelevant ones then select ones which are valid and relevant to the study ready for drawing conclusion; secondly is data display, this is done in an organized way to pave room for finally drawing of conclusion. Since this is a multiple cases study, cross-case synthesis is used and data displayed in tables; and finally is drawing of conclusion and verification, this is a stage of deciding what things mean(Ibid), judging the filtered responses and from them project observed patterns or perceptions.

Referring to and using the proposed relationship sketch of customer relations strategies and core competence (figure 1), below is the predicted pattern of relationships which is matched and tested against observed pattern in the analysis of data and discussion of findings chapter.

- There are specific strategies influenced by Customer relations
Customer Relations Influence and its Relationship with Core Compete: A case of Mobile Communication Service Providers

- Customer relations influenced Strategies relate and rely on Core Competence to be successfully executed or accomplished

- Influenced Strategies directly improve Customer Relations and therefore are Core Competence.

3.4.1 Collecting and processing of Data

As pointed out earlier, this analysis of data follows the Miles and Huberman (1994) techniques which involve three steps which are; data reduction, data display, conclusion drawing and verification. The responses from the interviews and question sheets were assessed and analyzed and included; sorting, transforming, reduction, selection and discarding irrelevant ones and finally paraphrasing into meaningful statements in relation to the research questions (Miles and Huberman, 1994) and a list was generated.

Raw data received from some participants were not all suitable to be applied and used and, therefore, this stage involved re-producing the data in the format useful to this research [19] by re-structuring statements and sentences received from interviews and question sheets to align them with the research problem. This was then followed by selecting and actually writing a within-case analysis (for each individual case) and statements recorded as from each interview question.

Since this is a multiple cases study, a cross-case analysis was conducted and all data were summarized under single matrix to form the analysis platform across all cases.

Important to note too is that no interview was conducted with staff at both VODACOM and AIRTEL Tanzania due to limited timeframe in both companies processing our introductory letters to conduct research at their work premises and that the manuscript had to be written and presented within a specified time period. This being the case, data analysis requiring input from the actual members of staff from the service providers’ understudy is relied heavily upon from MTN and AIRTEL Zambia respondents.
Both interview and survey questions were structured into groups. A group was formed in relation to the research aspects, i.e. customer relations, customer relation strategies and core competence. Below are the tables summarizing the grouping which also serves as a description of how data collection was conducted but as well as an insight to the final analysis.

Table 1: Survey Questions asked to selected customers

<table>
<thead>
<tr>
<th>Research aspect</th>
<th>Question(s) asked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Relations</td>
<td>• How can you describe the Level of Customer relations of your service provider?</td>
</tr>
<tr>
<td>Core Competence</td>
<td>• What do you think are your service providers’ distinguished competencies, capabilities and resources in meeting your service needs?</td>
</tr>
<tr>
<td>Relationship of Customer relations and Core Competence</td>
<td>• Does customer relations of your service provider relate to the company capabilities? Please briefly explain how</td>
</tr>
</tbody>
</table>
| Relationship of Strategies and Core competence | • How does each of the below reflect or relate to your service provider’s competencies, capabilities and resources;  
  ➢ Level of Service Quality received  
  ➢ Communication with your provider  
  ➢ Satisfaction (service received meets expectations)  
  ➢ Network coverage (availability)  
  ➢ Retention/Loyalty (remaining an all time subscriber to this service provider) (CR strategies relation with CC)  
  • What is your view on how a service provider (please describe a Service provider [ideal one] of your preference) should relate its competencies, capabilities and resources with its Customer relations strategy? |
Table 2: Face to face interview Questions conducted with managers and frontline staff

<table>
<thead>
<tr>
<th>Research aspect</th>
<th>Question(s) asked</th>
</tr>
</thead>
</table>
| Customer Relations                                   | • Describe the importance of customer relations to your business in the competitive market  
|                                                      | • State some common or otherwise challenges and difficulties you encounter in your day today interaction with customers? |
| Core Competence                                      | • What is your company strategic strength?                                        |
| Relationship of Core competence and Customer Relations| • How would you relate your company strategic strength to the overall customer relations policy with your company |

3.5 RESEARCH LIMITATIONS

This research is limited by the following:-

- Limited to one type of industry – the mobile service providers. Also not all service providers are involved but only two companies in both Tanzania and Zambia leaving more out of the research. Therefore the results and implication of this research is limited as such.

- Geographical limitation, in that the research is limited to only companies operating in Tanzania and Zambia and therefore the outcome from this research does not constitute same result for other geographical locations.

- Time limitation as this research will have to be completed within a specific timeframe and this limitation hinders a more comprehensive researched work or more accurate findings and contributions to knowledge.
3.6 ETHICAL CONSIDERATIONS

It’s the aim of this research to be as ethical, we’ll endeavor through this research to treat with respect all participants. Also preserve all confidentiality and anonymity where necessary as the aim of this research is only for education purposes. We intend to be honest and open through this whole exercise of collecting data and during interaction with the participants, our research is overt and we will make ourselves known, who we are and what we are doing and make known the aim of the research for our participants to be well informed in advance before seeking information or replies from them.

3.7 CONTENT VALIDITY AND RELIABILITY

In qualitative research reliability refers to a quality concept in generating understanding for the conducted research (Stenbacka, 2001) to be credible and that the findings in the research have consistency, applicability and dependability (Golafshani, 2003). Validity is the trustworthiness of the research which can be tested and verified (Johnson, 1997) leading to the generalization of the result. To ensure validity and reliability in this research a search for convergence among diverse and several sources of information (Creswell & Miller, 2000) has been carried out starting from theory and literature review where a theoretical pattern was constructed and then compared with empirical data obtained from four different cases. Data was collected from reliable sources comprising of company senior managers, frontline staff and a very considered selection of participants for survey questionnaire who have at least tertiary education to ensure that feedback received is reliable and reasonable.
CHAPTER FOUR

EMPIRICAL CASES

4.0 MOBILE TELECOMMUNICATION IN TANZANIA AND ZAMBIA

4.1 HISTORY OF MOBILE TELECOMMUNICATION IN TANZANIA

Tanzania’s economic growth rate has been steady and solid at 5% to 8% since year 2000; however there was a slowdown on the GDP growth due to the 2009 global recession. Mining and tourism are the main industry sectors and Tanzania has liberalized its economy encouraging foreign investments and participation, competition of private sectors is highly embraced as means of advancing the economy. Tanzania licensed the first mobile company in 1994 and from hence more companies have been licensed under the cellular market, with two fixed line operators (TTCL and Zantel) with eight operation mobile telecommunication service providers licensed under the Communication regulatory authority (TCRA). There are four major operators – Vodacom, AIRTEL, TIGO and Zantel. The mobile market broke the 50% penetration barrier at the end of 2010 and estimated to grow to 57% by end of 2011.

There has been stiff competition and war on price among the companies in 2010 including low priced services, loyalty programs and other seasonal promotions aimed strategically to gain and dominate more markets in the mobile sector (source: www.budde.com.au). Mobile communication services are readily available in urban areas while limited in remote locations; however there has been deliberate effort to improve availability nationwide.
4.2 HISTORY OF MOBILE TELECOMMUNICATION IN ZAMIBIA

Zambia’s GDP growth is currently at 6%, the level it has maintained over the past six years. This could in part be attributed to the steady rise in copper price on the international markets over the past few years and a registered increase in foreign investment.

Zambia’s population according to the 2010 national census is estimated at close to 13 million. The telecommunication sector has come a long way, from a state owned and managed era of pre-independence day in 1964 to 1998 when ZAMCELL now AIRTEL was permitted to enter the market as the first private mobile service provider. Because of this historical background, the country’s telecommunications market is dominated by AIRTEL which has a market share of more than 70% representing a subscriber base of 3.5 million. However, the fastest subscriber growth is currently seen by the runner-up, MTN. MTN Zambia has kept up the pace and continue to rapidly expand after acquiring all the shares in Telecel Zambia in 2005. Having commenced operations in 2006, today MTN has an active client base of 2.05 million subscriber base from the figure of around 250,000 at the time of buying off telecel. The third competitor in the mobile market is Cell Z, the mobile division of the national telco, Zamtel. Zamtel has been performing poorly in the mobile as well as the fixed-line sector, despite monopoly rights in the latter, including the international gateway. The monopoly on the international gateway and restrictions on VoIP Internet telephony are set to fall under the new ICT Act, which will make international calls and borderless international roaming much more attractive. The Act also seeks to establish a new unified licensing regime which will enable more competition in all market sectors from existing and new players. With penetration rates in all sectors still below regional averages, the growth prospects are excellent. A majority stake in Zamtel was sold to LAP Green of Libya in mid-2010. One of its key assets is a national fibre network that is currently being rolled out, including connections to neighboring countries which will provide transit links to international submarine fibre optic cables off the East and West African coasts. However, alternative domestic fibre is already being rolled out by three other companies, and one of them has recently completed the country’s first ever connection to an international submarine fibre optic cable, SAT-3/WASC. Alternative international fibre links will go live in later 2011
reducing the dependency on a single provider, which will, first and foremost, benefit the broadband sector with cheaper international bandwidth. Mobile data services using GPRS and EDGE are available but have remained expensive under the current conditions. Third generation technology rollouts are in progress, including 3.5G HSPA, but the licensing has been delayed (source: [www.budde.com.au](http://www.budde.com.au))

### 4.3 PROFILE OF CASE STUDY MOBILE TELECOMMUNICATION SERVICE PROVIDERS

#### 4.3.1 VODACOM (T) Ltd

VODACOM (T) Ltd was registered to operate and provide mobile services back in 1999 and actual mobile communication services were started in 2000 after some time of mobilization and establishment, Vodacom is believed to be the current leading service provider with over 9 million subscribers across the country. Vodacom Tanzania is a subsidiary of Vodacom Group (Pty) Ltd of South Africa which is also under the umbrella of Vodafone Group of the United Kingdom (UK). Vodacom Group (Pty) Ltd owns 65% of all Vodacom Tanzania shares and the remaining 35% is owned by an indigenous, one Mirambo Ltd.

Vodacom Tanzania has grown rapidly since launching its services in August 2000, growing a customer base of one million subscribers by 2004 and consequently growing to two millions in 2006, this same year saw Vodacom Tanzania being granted three different licenses in the communication sector which are Network facilities, Network services and Application service licenses and was authorized to provide a range of communication services, voice and data both locally and internationally.

Vodacom Tanzania has proven itself as a market leader boasting of a large market share, provides state of the art technology services and a variety of communication solutions including remote communication solutions over satellite, banking, international connectivity, etc. Available technologies and services for individuals or organizations includes GSM (Global system for Mobile communications), GPRS (General Packet Radio Services), EDGE (Enhanced Data rates for GSM Evolution) and 3G (Third Generation) with HSDPA (High speed Downlink...
Packet Access) in selected regions as well as WiMAX 802.16d (Worldwide interoperability for Microwave Access) in over 5 major cities in the country. These all enhance Vodacom Tanzania to providing quality services and hence competitive edge as compared to its competitors in the market.

Vodacom Tanzania does place itself strategically and has a business division to focus more on customer needs and expectations in order to provide total communication solutions to customers that are customer centric, technology driven, cost–effective as well as innovative to create sustainable value. Vodacom Tanzania has been the market leader in introducing new products and services for others to follow and imitate and that makes Vodacom Tanzania to continue innovating and creating of new products and services and hence ensuring that the market lead is maintained now and the coming future (source:. http://www.vodacom.co.tz)

4.3.2 AIRTEL Tanzania and Zambia

AIRTEL is short reference of Bharti AIRTEL Ltd which is an Indian Telecommunications company operating in 19 countries from Asia, Africa and Channel Islands. For Africa, AIRTEL started its operation in 2010 in 16 countries after acquiring ZAIN Africa BV. The African countries in which AIRTEL operates are Burkina-Faso, Chad, Congo Brazzaville, Congo DRC, Gabon, Ghana, Kenya, Madagascar, Malawi, Niger, Nigeria, Seychelles, Sierra Leone, Tanzania, Uganda and Zambia. The availability of AIRTEL in these African countries enable customers to use the same SIM card whenever visiting another country under one network system, this gives AIRTEL a distinguished advantage and value as compared to other operators.

AIRTEL offers common services which include GPRS, internet, WAP (Wireless Application Protocol) and MMS (Multimedia Messaging Service), international roaming, and also a range of mobile services including money transfer, fixed line services, as well as turnkey telecom solutions for individual and organizations.

AIRTEL is socially responsible and supports the community, for instance, in Tanzania AIRTEL has established over 680 schools under its ‘Build our Nation (BON) Project supplying teaching aids as well, it also offers scholarship for University studies for top 8 boys and girls completing
high school. One of the famously known inter-universities competitions offered by AIRTEL across the continent is called Africa AIRTEL challenge which is a milestone in advertising AIRTEL services across the continent.

In Zambia, AIRTEL set up a foundation since 2000 for philanthropy aimed at improving education for rural areas and unprivileged children (source: http://africa.airtel.com)

### 4.3.3 MTN Zambia

MTN Zambia started its operations and services 6 years ago; it is a subsidiary of MTN Group. MTN Zambia understands that its growth is contributed by the end user who is the Customer and therefore aims at fully meeting the needs of its customers by providing products and services that have benefits and satisfying. MTN Zambia is at the lead in the mobile communication services, it has the largest number of subscribers, 129 millions in the 21 countries that the MTN Group operates with Zambia collecting over 2 million subscribers.

MTN Zambia advertises itself as a better mobile service provider because it services enhance customer life and keeps constantly innovating its products and services and positioning itself at a point for consumers to choose it as primary service provider, to ensure this, MTN Zambia boasts of its brand value, personality and essence. MTN Zambia strives and continually innovate its services through strategic plans on its services and products through strategic business decision making, interacting with customers. It centers its strategic focus on three main questions: Is it new? Is it unique? Is it original? And thus ensuring consistence in all its dealings with customers.

MTN Zambia products and services includes prepaid services giving the customer freedom of choice and control of communication costs, post-paid services at an agreed contract to give convenience as well as suitin customer requirements, also mobile internet services to access the world wide web on mobile phones, laptops and Personal computers in office or at home using the MTN USB modem (source: www.mtnzambia.co.zm)
CHAPTER FIVE

ANALYSIS OF DATA AND DISCUSSION OF FINDINGS

5.0 INTRODUCTION

This chapter presents the analysis of data collected from a combination of techniques including face to face interviews and open-ended questions which were either presented physically or through email but tracked by phone calls to ensure responses were received within the timeframe given. The sample involved carefully chosen participants with at least tertiary level of education as a way to ensure reasonable and meaningful feedback.

A total of three face to face interviews were conducted at AIRTEL Zambia. These interviews involved a director of customer services department and two frontline members of staff in the same department. For MTN Zambia a total of two interviews were conducted, one with customer services manager and the other with one frontline member of staff. Also a total of five open ended questions (Appendix 1) were each sent to seven respondents on both networks. Of these respondents, four from each network provider provided their feedback.

From Tanzania a total of twelve selected users for AIRTEL Tanzania and VODACOM were consulted and agreed to participate in answering the open ended questions, six users from each provider, of all, nine fully filled questionnaire sheets were received, five from AIRTEL and four from VODACOM.

5.1 CROSS-CASE ANALYSIS OF COLLECTED DATA

This is a multiple cases study and therefore cross-case analysis of the responses was conducted in a single table matrix. The matrix consists of columns and rows; the first column contains the research questions, and the proceeding columns contain responses received for each question for all the case studies involved. Please note that the responses were first reduced to meaningful
sentences or statement during the within-case analysis, the general table now serves as a comparison across all cases.

The case studies are assigned with numbers, thus; - Case I – AIRTEL Tanzania, Case II – VODACOM Tanzania, Case III – AIRTEL Zambia and Case IV – MTN Zambia. All responses are summarized as per research aspect group and tabulated in the single table matrix to enable cross-case analysis of findings as well as also to discover similarities and like patterns within the statements, themes and sentences and hence assist in developing and projecting the perceptions of the research to finally drawing specific conclusions (Miles & Michael,1994).

Table 3: Customer relations aspect

<table>
<thead>
<tr>
<th>Interview Question</th>
<th>Case I</th>
<th>Case II</th>
<th>Case III</th>
<th>Case IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How can you describe the Level of Customer relations of your service provider?</td>
<td>*Excellent customer care *Efficient and customer oriented *Quick response always *Easily reachable (high availability)</td>
<td>Interview not conducted</td>
<td>Interview not conducted</td>
<td>*It is average though at times there is congestion online enquiries *Response to complaint resolution take long particularly when the problem complex.</td>
</tr>
<tr>
<td>• State some common or otherwise challenges and difficulties you encounter in your day today interaction with Customer</td>
<td></td>
<td></td>
<td>*Customer experience requires cultural transformation and this takes a while to adjust *Technical support and limitations in their operations such as system down time affecting smooth operations of customer service *Challenges with human resource since this kind of work has high employee turnover *Abuse of toll free lines by some customers hampers effective service to customers with genuine complaints</td>
<td></td>
</tr>
<tr>
<td>• Describe the importance of customer relations to your business in the competitive Market</td>
<td></td>
<td></td>
<td>*This company was the first mobile service provider to implement a fully fledged customer service department, with the aim of meeting customer expectations and providing customer experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interview not conducted</td>
<td>Interview not conducted</td>
<td>*Customer service available every time *Less congested network therefore response time is high *They do not flood our handsets with unnecessary promos which is a positive aspect</td>
</tr>
<tr>
<td></td>
<td>*Literacy - not all customers are familiar with technology, meeting the needs of this sector is costly *Right human resource skills sets to match the technology changes *Abuse and misuse of toll free lines and thereby inhibiting quality service to genuine customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*The toolkit which includes policies, processes and procedures is aimed at meeting customer needs and expectations *The strategy has been to ensure technology, products &amp; services in tune with staff skills to help meet the needs of the market</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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COMPLETE MBA THESIS
### Table 4: Core Competence aspect

<table>
<thead>
<tr>
<th>Interview Question</th>
<th>Case I</th>
<th>Case II</th>
<th>Case III</th>
<th>Case IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>• What do you think are your service providers’ distinguished competencies, capabilities and resources in meeting your service needs?</td>
<td><em>Physical Assets supports wide network coverage</em>&lt;br&gt;<em>Powerful brand</em>&lt;br&gt;<em>Superior technical knowledge</em>&lt;br&gt;<em>High tech communication systems</em></td>
<td><em>State of the art mobile communication technology</em>&lt;br&gt;<em>Wide coverage</em>&lt;br&gt;<em>Highly trained and skilled workers</em></td>
<td><em>Free airtime such as magic numbers</em>&lt;br&gt;<em>Different tariffs enable clients choose those that meet their lifestyle</em>&lt;br&gt;<em>Provide corporate social responsibility to the community</em>&lt;br&gt;<em>Wider coverage in almost all parts of the county</em></td>
<td><em>Inform their customers on the products that are on offer</em>&lt;br&gt;<em>Provide corporate social responsibility to the community</em>&lt;br&gt;<em>Strong and well known MTN brand</em></td>
</tr>
</tbody>
</table>
Table 5: Perceived relationship aspect of Core Competence and Customer relations

<table>
<thead>
<tr>
<th>Interview Question</th>
<th>Case I</th>
<th>Case II</th>
</tr>
</thead>
</table>
| • Does customer relations of your service provider relate to the company capabilities? Please briefly explain how | *Strongly agree, excellent customer care match with financial capability and resources of the company  
*Customer care given suggests a sound knowledge and competencies of workers  
*Low cost of network and wide coverage is a result of enough available resources | *Can improve and are capable of offering low tariffs across other networks  
*They’ve got all the resources to more better their services  
*Increase resources in remote areas to ensure availability of network  
*Slow internet services suggesting need for expansion or update of systems or resources | *Interview not conducted                           | *Interview not conducted                           |
| • How would you relate your company strategic strength to the overall customer relations policy with your company |                                                                                   |                                                                                   |
| Case III                                                                           | *Yes since they plough back part of their proceeds to communities such as schools  
*They have constructed a new and modern office complex which is an indicator of the serious relationship with their local market | *Top level management is involved in the overall coordination of customer service department with other departments  
*Each dept is given a maximum amount of time to respond to another dept needs through internal service level agreements |
|                                                                                   |                                                                                   |                                                                                   |
| Case IV                                                                            | *Yes as evidenced by their co-sponsoring the local football league  
*New and modern office premise signal their commitment to the local customer needs | *Adopted MTN Group strategy toolkit involving process, policy and procedure on handling customers  
*Customer experience is the focus of the toolkit with strategies tailored to meet customer expectations |

Case I: Interview not conducted
### Table 6: Perceived relationship aspect of Core Competence and Customer relation Strategies

<table>
<thead>
<tr>
<th>Interview Question</th>
<th>Question Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>- How does each of the below reflect or relate to your service provider’s competencies, capabilities and resources;</td>
<td>- What is your view on how a service provider (please describe a Service provider [ideal one] of your preference) should relate its competencies, capabilities and resources with its Customer relations strategy?</td>
</tr>
<tr>
<td>- Level of Service Quality received</td>
<td>- Deploy it’s competencies, capability and resources to build a strong and successful customer relations strategy</td>
</tr>
<tr>
<td>- Communication with your provider</td>
<td>- Ensure competencies of its workers as well as modern and efficient facilities</td>
</tr>
<tr>
<td>- Satisfaction (service received meets expectations)</td>
<td>- Use competencies, capability and resources to deliver low cost services and capture a large market share.</td>
</tr>
<tr>
<td>- Network coverage (availability)</td>
<td>- Design and implement service solutions focused to satisfy the customer</td>
</tr>
<tr>
<td>- Retention/Loyalty (remaining an all time subscriber to this service provider)</td>
<td>- Build skilled manpower and avail assets and resources to efficiently solving all service related problems</td>
</tr>
<tr>
<td>Case I</td>
<td>- Provide communication solutions that are Customer-Centric, technology-driven, cost-effective, and Innovative and generate sustainable value.</td>
</tr>
<tr>
<td>*Service quality is supported by superior knowledge of workers, service quality is of high standard and satisfying</td>
<td>- Capitalize on the market leader weaknesses through their strong platforms to increase on market share</td>
</tr>
<tr>
<td>*Communication is good from workers with sound knowledge of business and high level of customer, also available state of the art communication systems</td>
<td>- They should utilize their competencies to reduce on issues such as waiting time to complaint resolution</td>
</tr>
<tr>
<td>*Satisfaction – high quality of service and constant communication supported by available resources keep customer satisfied.</td>
<td>- Match up their client base with technology platforms</td>
</tr>
<tr>
<td>*Network coverage – widely available through strong infrastructure and well functioning physical assets</td>
<td>- Reduce on irrelevant promo messages to customers</td>
</tr>
<tr>
<td>*Superior brand and seasonal promotions and introduction of new low priced services ensure customer retention</td>
<td></td>
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5.2 DISCUSSION OF FINDINGS

The purpose of this research has been to study the relationship and influences between customer relations and core competence. The theory chapter provided the framework and has therefore built a foundation and conceptual fundamentals on which to relate these two important aspects. It is important to underscore the importance of effective customer relations and how it energies the company; and that, amongst the benefits is large market share and dominance as the company will be well situated and can prove an edge over competitors in the market; suffice to mention that a lot of literature and research has been written on this score. Core competence on the other hand is key to the success of any company, core competence constitutes competencies which are developments made by individuals and teams; capabilities which are supporting systems enhancing the business operations and resources which are inputs to value process (Lionetta, 1977; Ljungquist, U, 2003: 2007). Coming back to the research problem and purpose, apart from probing questions on existing customer relations and core competence within the business, there was a been specific questions which required the participants to describe an ideal company and how it should combine or operate its customer relation strategies with core competence. The responses on this question played a major role and added value to the interpretation of results as participants were not only able to answer freely outside the bounds of service providers they subscribe to but also detailed their perception and desires of how the business should conduct and operate efficiently utilizing these two items.

I. Company core competence or strategic strength; In responding to company strategic strength; AIRTEL and MTN Zambia interviewees mentioned customer experience, building customer loyalty as a differentiation strategy, consistence in the customer value proposition including stable technology platforms as well as employee training and development are common responses in the case studies.

II. Strategic strength in relation to the overall customer relations policy of a company; AIRTEL Zambia discussed top level management involvement, while
MTN Zambia adopts company group level strategies as effective means of meeting customer expectations. MTN also did mention top-to-bottom clear message for an overall coordinated customer relation strategies backed by a strong, available core competence as effective means of meeting customer expectations.

III. **Importance of customer relations to the business;** in stating the importance of customer relations in their respective companies, interviewees at AIRTEL mentioned having implemented a fully fledged standalone customer services department, separate from marketing and/or sales functions as is usually the case in most companies, to specifically handle the challenges faced by customers after a service has been provided which in itself indicates a higher level of sensitivity to the customer and that customer relationship matters the most. An MTN interviewee on the other hand mentioned embedding the MTN toolkit which contains policies, procedures and processes in their customer relations approach aimed at meeting customer needs and expectations. MTN also highlighted staff skill sets and knowledge in company products, services and technology platforms as prerequisites’ to fully meeting the demands of the customer; this in itself is a typical matching of customer relations with core competence.

IV. **Daily challenges and difficulties encountered with customers;** asked what they found as the main challenges and difficulties each experienced in their day today interactions with their customers, MTN gave low literacy levels among a section of its customer base in matching up with technological changes, stressing that this in the long run becomes a cost burden. To get employees with the right skill sets, attitudes and behaviors that are necessary in providing that unique customer experience is not easy, implying in-house training programs have to be initiated and conducted to impart such skills on employees in all customer facing departments of the company. AIRTEL stressed that customer experience requires a cultural transformation although this takes awhile to adjust to. Resistance in the acceptance of certain tactics and practices which involve enhancing employee customer product knowledge was also mentioned by AIRTEL. Abuse of toll free lines through non services related calls
which practice blocks otherwise customers with genuine complaints was common among both MTN and AIRTEL respondents

V. Relationship between a service providers’ competencies, capabilities and resources with Customer relations strategy; Concerning this view both VODACOM and AIRTEL Zambia respondents alluded to technology infrastructure; provide communication solutions that are customer centric and technology driven; while matching up their client base with these technology platforms. AIRTEL Tanzania and MTN respondents suggested designing and implementing service solutions that satisfy the customer and that these solutions should be driven by vigorous promotion campaign strategies that resonate to as many customers as possible. All case study respondents place an emphasis on superior quality of service, effective and efficient communication between customer and the service provider. Customer satisfaction through meeting their expectations and needs as well as retention/loyalty programs as being essential elements on the service provider’s competencies, capabilities and resources. For instance, AIRTEL Tanzania, VODACOM and MTN respondents mentioned superior brand and seasonal promotions and introduction of low priced services as ingredients to customer retention. Some respondents in VODACOM suggested building and investing in skilled manpower, avail assets and resources to efficiently solving customer service related challenges. AIRTEL Zambia respondents alluded to deployment of the service provider’s capabilities and resources including technology platforms to match with their customer base. Also other respondents implored service providers to use competencies, capabilities and resources as business strategies to deliver low cost services with an aim of capturing larger market shares.

VI. Relationship of service providers’ competencies, capabilities and resources, to the level of service quality received, communication with service provider, satisfaction (service meets expectation), Network coverage (availability) and retention/loyalty; AIRTEL Tanzania, VODACOM and MTN respondents mentioned superior brand and seasonal promotions and introduction of low priced services as ingredients to customer retention. Also service quality and satisfaction are both
supported by superior knowledge and right skill sets of employees involved. All case study respondents highlighted specific outcomes that communication has on the company. These outcomes are that communication is good from employees with sound knowledge on business products and services; communication is efficient from excellent customer focused solutions, but too, that the communication across these networks must be efficient and affordable. In answering a particular service provider’s distinguished competencies, capabilities and resources in meeting customer needs; communication systems and platforms also standout and are dominant across a number of respondents including both AIRTELs, MTN and VODACOM.

VII. Service provider’s distinguished competencies, capabilities and resources in meeting customer needs; communication systems and platforms also standout and are dominant across a number of respondents including AIRTELs, MTN and VODACOM. On the discussion of customer care provided by each service provider; AIRTEL Tanzania and VODACOM respondents praised their networks for being excellent, efficient and quick in their customer care provision emphasizing that meaningful and quality services are offered. On the other spectrum both MTN and AIRTEL Zambia respondents mentioned congestion, slow response to complaint resolution, flooding customers with unnecessary promos as potential barriers to good customer care. MTN Zambia users describe their service provider as generally a stable network, no congestion and that the response level to required service is very high; an interesting remark received from the respondent, which implies that the communication is smooth, was that, “they do not flood my handset with unnecessary promotions”.

VIII. Level of Customer care or relationship with service provider; AIRTEL Tanzania and VODACOM respondents praised their networks for being excellent, efficient and quick in their customer care provision emphasizing that meaningful and quality services are offered. On the other hand MTN and AIRTEL Zambia respondents mention congestion, slow response to complaint resolution, flooding customers with unnecessary promos as potential barriers to good customer care as already mentioned elsewhere.
The perceived relationship as a result of this analysis is still observed in the conceptual model in figure 2. A two-way relationship linking Customer relation strategies and Core competence is shown in that figure. Customer relations strategies depend on and will only be successfully implemented through available core competence and this combination will in turn create an efficient and successful customer relations base.
CHAPTER SIX
CONCLUSION AND IMPLICATIONS

6.0 INTRODUCTION

This chapter examines in summary the whole study from theory and literature review, methodology, data analysis and discussion of findings and gives conclusion as well as implications and recommendations. The findings indicate that while a customer relation is a very important aspect for any business’ success; it can only be achieved by implementing or deploying specific customer centric strategies complimented by core competence. From the findings we note also that an efficient service provider is one with available competencies, capabilities and resources in meeting customer needs and expectations. The availability of these ‘associated concepts’ of core competencies is what makes the company-customer relationship remain strong.

6.1 CONCLUSION

The purpose of this work has been to research and study customer relations influence on company core competencies. To achieve this, the focus was first to study Customer relations; its strategies and Core Competence; and second formulated a theoretical relationship between Customer relation strategies and Core competence. This research through literature review and theoretical framework proposed a theoretical conceptual relationship between Customer relations using customer centric strategies and Core Competence, this theoretical model is as outlined in figure 1.

The identified customer relation strategies in the research comprised various common items deployed in day to day business operations. Looking specifically at the individual strategic items; responses indicate that service quality and satisfaction are both supported by superior knowledge
and right skill sets of employees involved in the exchange process; this in other words suggests that company competencies directly relate with the quality of service offered in satisfying the customer. Service quality is a differentiation strategy and a source of competitive advantage; core competence positions this ‘strategy’ to a place where competitors find it difficult to imitate. Customer care is reinforced by excellent, efficient and quick response to customer needs and expectations. Network congestion, slow response to complaint resolution, flooding customers with unnecessary promotions on the other hand is a potential barrier to good customer care. Customer care through customer responsiveness, retention and satisfaction needs a combination of skill sets and well trained employees (individuals who can create development-competencies), efficient programs (capabilities) and resources to fully meet customer expectations and needs. Customer experience which leads to building customer loyalty, is a differentiation strategy. Loyalty leads to customer retention and increase in customer share. The results of customer retention and increase in market share are customer benefits and access to wider markets. Communication between the service provider and the customer has implications and outcomes on the business. These outcomes are that communication is good from employees with sound knowledge of business products and services (competencies). Communication is efficient from excellent customer focused solutions (capabilities), also communication across these networks must be affordable and efficient. Communication leads to customer insights thereby availing the business to more opportunities. The result in this vein is that communication becomes a core competence because through providing customer insights the customer benefits; also since it avails a company to more opportunities [this] lead to wider access to markets. Through the innovation process customer retention and significant business opportunities are achieved. Customer preferences lead to market leadership with increased customer base and difficulties in being imitated as the main benefits for the company.

This research has established the conceptual relationship between Customer relations and Core competence; that for good customer relations base, a business has to employ customer-centric strategies which must be supported by available efficient core competencies. In other words, customer-centric strategies need core competence to be implemented successfully. This overall relationship between the two is formulated and presented in a conceptual model shown in figure 2. The figure indicates that a customer relations strategy directly relates with core competence.
such that any strategy will only be successfully executed or implemented with an equal matching core competence. For example, a successful communication strategy can only be achieved and supported by a workforce capable of making development as individuals or as a team with supportive technological as well available resources as inputs for value addition on a process. Therefore, successful customer relations should be built on customer strategies which can only be successfully implemented by equal and matching Core competence.

6.2 IMPLICATIONS AND RECOMMENDATIONS

This research study presents and adds knowledge to the field of strategy in general and in the areas of Customer relations and Core competence in particular. Companies should continually strive to improve and maintain a good customer relations base by deploying customer centric strategies. However, it is true that in some instances strategies deployed have not been as successful and as such the company never gets to achieve its objectives of having a good customer relations base, the main reason to this implementation failure is as a result of poor core competence network. This study, therefore, establishes that, to continually keep market leadership, any company must maintain a good customer relations base which is built on strategies that are fully supported by its core competence. It is the obligation, therefore, of any company business strategist to ensure a correct matching of customer strategies with a strong core competence network.
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APPENDIX I – Open ended questions

Hi Respondent,
Am on a study trying to explore customer perceived value for mobile telecom services provided – specifically on the areas of Customer relations and Core competence, I therefore kindly request your feedback for the below questions and thank you very much for your Time.

Note: to reply to question please click first inside the box and add your text

A. Biographic Data
   Male [ ]    Female [ ]

B. Education Level
   Primary [ ]    High School [ ]    Tertiary [ ]

PRIMARY SERVICE PROVIDER (Please indicate with ‘Y’ as appropriate)
   Vodacom/MTN [ ]    Airtel [ ]

1. What do you think are your service providers’ distinguished competencies, capabilities and resources in meeting your service needs?
2. How can you describe the level of customer care or relationship with your service provider?

competencies, capabilities and resources? Please briefly point out how is this relationship

4. How does each of the below reflect or relate to your service provider’s competencies, capabilities and resources
   - Level of Service Quality received
   - Communication with your provider
   - Satisfaction (service received meets expectations)
   - Network coverage (availability)
   - Retention/Loyalty (remaining all time a subscriber to this service provider)

5. What is your view on how a service provider (please describe a Service provider (ideal one) of your preference) should relate its competencies, capabilities and resources with its Customer relations strategy?