PRICING STRATEGIES AND CUSTOMER RETENTION

The Case of Airtel (T) Ltd

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ABSTRACT

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This Bachelor’s thesis was done under the consent of Airtel (T) Ltd with a major purpose of finding the correlation between pricing strategies and customer retention. This came about after a long term observation of customers who used to come in and out of Airtel (T) Ltd heading to other competitive companies in the Mobile Telecommunications industry.

The Major reason for the shift was discovered to be the Price sensitivity as portrayed by the customers. It was identified that customers were willing to move to a company that offered mobile services at slightly lower price.

Answers to the questions regarding the study were resolved through questionnaires that were filed by a number of employees that work for Airtel (T) Ltd who were involved in the daily running of the company and had a direct touch with the customers.

After a thorough study of the given answers, a conclusion was drawn that there is a positive correlation between pricing strategies and customer retention and thus in order to retain as many customers as possible, Airtel needed to come up with better pricing strategies that will attract as many customers as possible.
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1 INTRODUCTION

1.1 Background
Communication globally is a one fundamental aspect that brings people close and helps to unite the world into a common village.

Africa as a continent originally had its own non electrical conservative ways of communication that uplifted the unity of individuals due to the local existing establishment. This method of communication was so effective and renown amongst the local inhabitants that happened to be a surprise to the outsiders due to the great response and quick reactions and thus sometimes believed that communication originated from Africa in Ancient Egypt, ‘all the means of communication originated from the earliest Africans in the old Egypt.(Osho 2010:147).

Back in the days in Africa before the introduction of electronic communication, people used drums, blowers and messenger boys to communicate and pass information from one end to another .But as time went on with influence of colonialism and trade movements, communication patterns were improved to the current use of mobile phones that carry supportive elements like calling features, sms, internet and many more.

Africa being second largest continent consisting of 54 countries with total land area of 30 million square kilometers with 1 Billion people carrying diverse cultures, tribes and languages, Communication stands to be a very important element.

Communication in Africa has highly uplifted the status of Business where individuals and business partners get to discuss business across borders without having to come together in a common physical meeting .Communication through Mobile phones has made business management agendas easy through inbuilt calendars, agendas, reminders which makes business deals between partners quick, easy and convenient in the end saving costs inform of time, money and travel expenses.

Communication in Africa promotes social connection between people of different ethnicities through social network platforms like Facebook, twitter, WhatsApp, Baddoo and many more .These platforms create an open ground to different individuals to share ideas and get informed about new cultural differences and more to say these platforms open a large ground to marketing and advertising possibilities.
Communication has highly opened Africa to the external world. Communication through the use of Internet has been so influential in the globalization process where Africa has managed to connect with other developed countries. Mobile internet connectivity through 3G and 4G networks have been so helpful and made easy the reach between individuals of different continents though enabling File sharing, video calls and many more.

“Globalization has produced a new of level of interdependence among us. The economy and multinational supply chains do not abide by political boundaries. A computer ordered in Brazil is designed in California and assembled in several other countries….” Eduado Paes

1.2 Purpose of the thesis
- To find out the Correlation between Pricing Strategies and Customer Retention in Airtel (T) Ltd

There are large numbers of customers migrating from Airtel to other Telecom networks despite the fact that Airtel has a strong establishment ground and experienced service provision. It is discovered that the customers migrate majorly because of sensitivity to price.

1.3 Objectives
- The main objective of the research is to mainly discover the different forms of pricing strategies and as well the different factors that influence customer retention and finally discover the correlation between pricing strategies and customer retention

1.4 Goal
- The main goal is to come up with best solutions to Airtel (T) Ltd so as to retain as many customers as it can hold through great use of better pricing strategies that hold the customers into the company

1.5 Research Questions
So as to implement the purpose of the research, a couple of questions need to be answered.
- What types of pricing strategies do exist?
- What factors influence customer retention of a firm?
- What is the correlation between pricing strategies and customer retention?
1.6 Methodology

The Research carried is a Case Study and Airtel (T) Ltd will be used as a case Study for this Research.

With a ‘What’ type of questions in this research, Qualitative Research shall be used because it will require us to ask the employees the different questions and opinions that they carry in their minds concerning pricing strategies and customer retention.

Qualitative Research is to explore and understand people’s attitudes, perceptions, motivations and behaviors by constructing and analyzing the data which are largely in nature (Kent 2007, 86)

Literature review method shall be used so as to acquire more information about the company and the different pricing strategies involved to run the company. A close study at different Articles, Journals, Newspapers, and Magazines and as well reports from the internet to compile needed data shall be used.

Interviews shall as well be used where questionnaires will be sent carrying questions that are relevant for the research to the Staff of Airtel (T) Ltd at different levels of management and results will be compiled and analyzed.

Observation method shall as well be taken into consideration whereby we shall observe the different official documents within the company to gather information that will be found relevant and of great use to the research.

In the above chapter, the background of communication in Africa was discussed, the purpose of our thesis, objectives, goals, research questions and methodologies that we will use.

In the chapter two ahead, Case study which is Airtel (T) Ltd shall be talked about and give its background and the services it offers in details and in Chapter Three we shall discuss about the Theoretical Framework where we shall use Michael Porter’s model of 5 forces to see how Airtel (T) Ltd can gain its competitive advantage.
2 THE CASE (AIRTEL (T) LTD)

2.1 General Introduction

Airtel Company is an International telecommunications services originated from India with its headquarters is in New Delhi India though it operates in 20 countries all together from Africa, Channel Islands as well as South Asia. As visually represented on the world map below, one can see countries where Airtel operates which have red mark on them which are Bangladesh, Burkina Faso, Chad, Democratic Republic of Congo, Gabon, Ghana, India, Kenya, Madagascar, Malawi, Niger, Nigeria, Republic of the Congo, Rwanda, Seychelles, Sierra Leone, Sri Lanka, Tanzania, Uganda, Zambia and Channel Islands (Jersey and Guernsey).

![World Map](image)

FIGURE 1: WORLD WIDE AIRTEL COVERAGE

Airtel was founded by Sunil Bharti Mittal on 7th July 1995. It had 24,720 employees by the year of 2013 to 2014 where its revenue was 14 billion US dollar, operating income was 3.9 billion US dollar, profit 510 million US dollar, total asset was 6.8 billion US dollar and total equity was 26 billion US dollar.

TABLE 1: Investment Breakdown

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Employees 2013-2014</td>
<td>24,720</td>
</tr>
<tr>
<td>Revenue</td>
<td>14 Billion US Dollars</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3.9 Billion US Dollars</td>
</tr>
<tr>
<td>Profit</td>
<td>510 Million US Dollars</td>
</tr>
<tr>
<td>Total Asset</td>
<td>6.8 Billion US Dollars</td>
</tr>
</tbody>
</table>
With this strong foundation base, Airtel (T) Ltd takes the pride of competition in Tanzania offering quality services that promote a strong competition ground among telecommunication industry in Tanzania.

Airtel key products are broadband, mobile telephone, fixed line, fixed line internet services, IPTV as well as digital television GSM, fixed line broadband. Voice services as well as 3G and 4G LTE are provided by Airtel, though it depends what country it operates.

Airtel is the fourth largest mobile operator in the world, according to subscriber base and Wireless Intelligence “Telecom Major Bharti Airtel is the fourth largest mobile operator in the world with over 250 million connections globally.” Wireless Intelligence

Airtel has 3.3 million customers of tele media services in 87 cities, where as Airtel broadband subscribers were 1.39 million on 30th November 2012.

Airtel provides limited and unlimited plans in which unlimited plans are subjected as free usage policy though when customer exceed Airtel data usage limit the speed will be reduced, home users maximum speed is 16Mbit/s.

Airtel focuses on business to consumer as well as business to business where business to consumer deals with retail customer services, home as well as providing m-commerce, mobile and fixed line, while business to business deals with corporate accounts. Airtel offers two enterprise business solutions which are GPRS and SMS Based Solutions.

Airtel signature tune is composed by Indian musician A. R. Rahman who re-used tune with Anu Malik on the movie titled Love. Airtel signature tune is one of the world’s most downloaded mobile tune which has downloads of 150 million. The release of the new version of the Airtel tune was on 18th November 2010 due to the re-branding of the Airtel.

Airtel telecom tower is the only Telecom tower which generates electricity more than 5 units each year due to installation of solar capacity almost 3 MWT on their network. This initiative reduces 66 million litres of diesel consumption every year where carbon dioxide is being reduced by 150,000 MT each year. Airtel Telecom Tower (Bharti Infratel) was awarded Green Mobile Award on 2011 in Mobile World Congress at the GSMA, Barcelona. Moreover they received an award of innovative infrastructure company of the year 2010 at CNBC Infrastructure Awards.
Airtel is the first company in the world which introduced passive infrastructure which shares mobile towers with their competitors in reducing collective carbon footprint in the industry. Also the installation of solar hot water by Airtel results to less lighting energy saver, made the reduction of energy consumption by 10% to 25% in the lighting system, which saves electricity by 850,000 units per year. They also save 12,840 trees every year by sending e-bills to customers.

In our thesis we are focusing mainly on Airtel Tanzania, as described and explained below:

AIRTEL TANZANIA

Airtel Tanzania area coverage in Tanzania

Airtel Tanzania coverage is shown on the Tanzania Map above, though the services keep growing very fast periodically where Airtel services at the moment covers different places of Tanzania which are; Arusha, Dar es salaam, Dodoma, Morogoro, Mbeya, Manyara, Zanzibar, Kilimanjaro, Pwani, Mwanza, Mtwar, Lindi, Iringa, Kigoma, Kagera, Mara, Pemba, Rukwa, Ruvuma, Shinyanga, Singida, Tanga, KIA, Tabora, Bangan’gata, Duluti, Endasaki, Katesh, Longido, Karatu, Kiserian, Kwangulelo, Lengijave, Magugu, Nemguru, Mto wa mbu, Crater, Ngorongoro, Usa River, Tuvaila, Ngaramtoni, Namanga, Makuyuni, Mererani, Londos, Mbulu, Ngarenanyuki and Iringa.

Airtel Tanzania started operation in October 2001 in which Airtel Tanzania subscribers have the only Airtel network which supports them to roam while abroad at the local
rates. Airtel Tanzania offers GPRS Services, Mobile top up, Me 2U, Prepaid plans, Postpaid plans, Local and International text message, SMS services information, 24 hour customer care center, International roaming as well as value added as standard package on Airtel network.

TABLE 2: Airtel Tanzania technology and developments

<table>
<thead>
<tr>
<th>OPERATOR</th>
<th>ESTABLISHED</th>
<th>OWNERSHIP</th>
<th>TECHNOLOGY</th>
<th>FIXED LINE</th>
<th>PRODUCTS</th>
<th>COMPANY</th>
<th>DEVELOPMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR-TEL TANZANIA</td>
<td>Nov.2001 licensed as mobile operator(Zonal)</td>
<td>Partnership, formed as partial privatization of TTCL-February 2001.</td>
<td>GSM, technology, GSM900/1800/4000MHz; GPRS, EDGE, 3G</td>
<td>NO</td>
<td>Mainly Voice; Carrier of carriers.</td>
<td>As of June 2007, Celtel Tanzania has been the coverage leader in Tanzania. The network covered all regions of Tanzania.</td>
<td></td>
</tr>
<tr>
<td>Formerly Celtel Tanzania</td>
<td>-licensed for international operations 1998.</td>
<td>TTCL shares structure; Govt of Tanzania 65% and Celtel Tanzania 35%.</td>
<td></td>
<td></td>
<td></td>
<td>The use of EDGE/GPRS and GSM 900/1800/4000MHz all subscribers anywhere in Celtel network are enabled to access the internet via laptops or phones.</td>
<td></td>
</tr>
<tr>
<td>To date, Company ownership changed to Bharti Airtel ltd, from Zain.</td>
<td>-August 2005, Celtel was legally separated from TTCL operations. The aftermath, Celtel international bought 25% shares in Celtel Tanzania. The ownership later changed to Zain, June 2012.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>As of June 2012 Airtel Tanzania, had 7,504,531 mobile subscribers as per TCRA report of Dec 12, 2012.</td>
<td></td>
</tr>
</tbody>
</table>

2.2 Services Offered

2.2.1 Voice Services

In voice services, Airtel offers caller tunes, Daka salio, Game club, Mwananchi updates, Fax services and Yatosha for a friend where by Airtel customer purchase a credit voucher to a friend.

2.2.2 Promotions

Airtel offers different tariff offers to different countries like China and India, this allows Airtel Tanzania customers to make call to India and China by very low calling rates. In promotions also they have WTF which is an Airtel bundle where those Airtel customers who like to spend most of their times on social networks, can access Twitter, WhatsApp, Facebook and BBM with 30MB per week and 80MB a month.
2.2.3 Voice Tariffs

In voice tariffs, Airtel has Yatosha Noma-This is an offer for Airtel customers where they get more data usage as well as more calling minutes and text when they buy Yatosha bundle, and they can get a chance to win Toyota IST. Also they offer Airtel Tariff for Tanzania Airtel customers where they can make a call from Airtel to Airtel from 6am to 16:59 for 2.9Tzsh per second, from 5pm to 21:59 for 3.9Tzsh per second, from 10pm to 05:59am for 2.10Tzsh per second and to other networks including landlines is 5.5Tzsh per second. Not only that but also Airtel offers International Tariff (Prepaid) which is an offer for Airtel Tanzania prepaid customers where they can make calls without tax inclusive for 24 hours a day to and this is classified according to Band 1-12 depending on the country one is calling and carries a constant rate of sending an International SMS which is 100 Tshs.

Airtel International Tariff (Postpaid) is an offer for Airtel Tanzania postpaid customers where they can make calls without tax inclusive for 24 hours a day and this is classified according to Zones 1-9 and different zones carry different calling rates depending on the countries in the package and carry a common international SMS rate of 100.00Tzsh.

There is Airtel Tourist Pack which is an offer for Airtel customers who come to visit Tanzania, they can call UK, USA, India and Italy for 10USD where they get 30 minutes calls, 10 SMS as well as 1GB and they offer One Network service where Airtel customers can use Airtel services when they are abroad.

2.2.4 Customer Care

Customer care is a help line service where customers call in to ask for assistance from Airtel direct hotline where customers are assisted by an operator based at the Customer service desk and as well through this service there is a chance of making Emergency calls like to police, ambulance or fire services..

2.2.5 Internet

Airtel Tanzania has various internet offers such as OMG Bundle. This is Airtel’s lowest internet bundle where customers can choose internet service according to their interest, affordability and time. Still they offer Switch ON service where customers can use nonstop internet service where they can choose to use the service per day, week or month.

2.2.6 Airtel Money

Is an Airtel service where Airtel customers can send and receive money anywhere where the service is available to any networks by using their phones and they can withdraw the money through Airtel Wakala, who are Airtel dealers.

2.2.7 Premier

Is an Airtel service for Diamond and VIP customers only where they receive more Airtel offers.
2.2.8 Media Room
In the Media Room there is Latest News where customers get the latest news and Press Releases which helps customers to get press and latest release coverage.

2.2.9 Careers
Vacancies - Airtel Tanzania career service, offers a career to motivated and talented people worldwide.

2.2.10 Csr
CSR is an Airtel project where they offer Scholarships. Airtel Tanzania service does this by giving university scholarships to students who do well in their studies. They as well have Airtel Rising Stars who are young children, boys and girls, age from 13 to 17 where they help them to be recognized and to improve their football talents to play in the local teams clubs and national teams. Airtel supports Africa education, music, culture, environment as well as communities.

2.2.11 Devices
These are Airtel Smart phone offers for customers.
3 THEORETICAL FRAMEWORK

Porter’s 5 Forces model and How Airtel (T) Ltd can get its competitive advantage

![Porter's Five Forces Model](image)

FIGURE 3: Porter’s 5 forces model

Michael Porter’s 5 forces model are the five renown forces initiated by Michael Porter that give a simplified framework and ideology for assessing and analysing the competitive strength and position of a corporation or business organization. Porter divided the forces into two i.e. Three forces from Horizontal competition and two forces form Vertical Competition.

Michael Porter’s 5 Forces is part of this research because it vividly provides the basic ground of analysing competition within a given industry and bring into light the attractiveness in terms of profitability.

The three forces from Horizontal competition include Threat of substitute products, Threat of established Rivals and Threat of new entrants while the two forces from Vertical competition include Bargaining power of Suppliers and Bargaining power of customers.

Airtel (T) Ltd can utilize Michael Porter’s Model to get its competitive advantage and we decided to concentrate on two forces out of five i.e Threat of New Entrants and Competitive Rivalry.
3.1 Threat of new entrants

Michael porter identified Threat of new entrants as a force in his model because taking a look at highly performing firms and industries, markets that captivate high and positive trend profits will invite more new firms to join the business. As many firms join the industry, the market share is reduced from the dominant companies which eventually lowers the profitability levels of the firms in the industry. Thus, upholding firms should come up with ideas and techniques to block the new entrants so as to limit and control their threat.

The following are some ways Airtel (T) Ltd can utilize Michael porter’s model of threat of new entrants to block new firms from entry.

- Diverse services taking care of all classes of people which will pose barriers for new firms.

Originally, Airtel (T) Ltd was for the rich who were termed as corporate clients who were looked at as special and outreached. However, Airtel narrowed down to take care of the other users. Airtel being one of the oldest telecommunications networks in Tanzania; it can undertake the idea of seeing a big picture of narrowing down the services to cater for all classes of people staring from the corporate world to the common man.

Taking a look at the under 25 age, Tanzania has 9679554 of those aged between 15-24 who are active mobile users but are students and mainly unemployed. This number caters for 19.5% of the total population.

Thus, Airtel should take into consideration the idea of tapping the least available market though extra tailored services so as to concentrate the market and put barriers for new entrants into the same market.

- Diverse in Investment Capital.

Airtel (T) Ltd initially invested 30 Million Dollars in 2001 so as to have its offices and operations widened. However, Airtel needs to increase its investment capital to upstand the uprising competition. Airtel (T) Ltd was less by 40% investment capital as compared to its direct competitors Vodacom who had an initial investment capital of 42 Million Dollars.

The higher the Investment capital mixed with great management takes the business to greater heights.
In a stable competitive environment, Airtel Ltd needs to increase its investment capital so as to get its Competitive advantage over its rivals and thus holding the top position and blocking new firms from penetrating the industry.

• Economies of Capital
Airtel started with a simple office operation in Dar es Salaam taking care of the few customers it started with.
However, as time moved on, Airtel after 10 years experienced a growth rate of 40% as seen by the increment in its number of customers currently at 7,504,511 which is 27% of the total number of mobile users in Tanzania and as well a vivid increment in the number of customer supportive branches and employees.
Thus Airtel can enjoy the economies of scale through the many established branches all over the country acquired over time to penetrate further to the different markets and as well take advantage of existing customers to attract more though referencing and cause vivid impact which will block new entrants into the industry.

• Product Differentiation
Airtel (T) Ltd entered the market only initially offering mobile communication services in year 2001. However, as time went on, Airtel (T) Ltd introduced more products like Airtel internet, Airtel money, and more.
However Airtel can furtherly offer better differentiation services that will make a greater impact into the customers and have Airtel Ltd stamped in their minds.
Thus, with product differentiation, Airtel can modify and make better tailored products at average prices that will capture the market availability and put a barrier on new entrants.

• Access to Distribution Centres
Airtel (T) Ltd being a large company taking care of 7,504,511 clients offering various services like Mobile Communication, Internet, Airtel money and as well network connected phones has managed to move widely. Being a large company, Airtel (T) Ltd can highly take advantage of access to distribution centres of its products so as to enable them reach far and block external supply which will block new entrants.

• Customer Loyalty
Airtel (T) Ltd having offered great services for over a period of ten years capturing a great market share of 27% of both the young and old clients, Airtel (T) Ltd can
exclusively take advantage of customer Loyalty acquired through constant closeness with customers.
Customer Loyalty carries an advantage of reference and denial of shift to other competitors of the same services. Thus, Airtel can highly maintain customer loyalty through best service provision and handling customers as individuals rather than groups and creating in them a feeling of company ownership which will eventually block the new entrants into the firm due to the resistance that they will come across.

3.2 Competitive Rivarly
Michael porter identified Competitive Rivalry as a force in his model because in a profitable market where there exist various suppliers and providers in the same industry, there must exist competitive rivalry due to the fight or share of market. The more the competitors providing different products and services, the more undesired and unattractive the market is. Rivalry among firms always up rages when a rival takes actions that falls against a counter response by other firms. The cause of this could be the desire by a firm to gain an advantage.
The following are some ways Airtel (T) Ltd can utilize Michael porter’s model of Competitive Rivalry to pursue and undertake an advantage over its rivals.

Looking at the size of Airtel and available number of other firms in the same industry, Airtel (T) Ltd carries a greater ground to out beat its customers
• Advertising
With a wide capital base of over 30 million Dollars employing over 300 employees both local nationalities and experts from abroad, Airtel (T) Ltd occupies space into service and product provision where in comparison with the number of firms that exist in the same industry, Airtel (T) Ltd using its large size can highly get its competitive advantage through extra investment and advertising which in the end will acquire a positive push over its competitors. Excessive advertisement though intensive use of visual effects like televisions and bill boards and as well paper advertisements could be one of a kind to attract attention and desire of customers to be involved. This will highly put Airtel (T) Ltd on a higher competitive edge as compared to its competitors.

• Deeper Expansion
Looking generally at the industry size and trends, Tanzania has 5 mobile Telecommunication networks that have come into solid establishment in the 15 year
Tanzania has a communication increment of 32% which means there exist a new telecommunication provider entering the market every 4 years. Through this, there exist a show that there are untapped markets due to the increasing trend of introduction of new service providers as compared to still low size of the industry thus Airtel can utilize this opportunity to move deeper and expand its horizons so as to out beat competition of the already existing firms and as well the new firms planning to get into the market. Airtel should embark on the plan of distant expansion and move further into the abandoned villages and tap whole available markets so as to gain a competitive advantage over its rivals.

- Service Improvement

Customer have increasing change in demand and tend to get tired of the same product and in the end desire an improved product of the same specie or a different one by the same manufacturer. Thus through this, Airtel (T) Ltd can come up with ideas of improving the already existing products in the market and as well come up with new products so as to capture more market. Airtel (T) Ltd can improve on the nature of its calls by providing video calls at a cheap rate and making the service easily available and simple to use for all. This will enable the customers to get stuck into the company and fail to have migration minds to other firms.

Airtel now offers Airtel mobile connected phones cheaply to customers however, the phones offered are not of high technology and thus bought by a few. In this aspect, Airtel could improve and offer high Tech android phones so as to capture the whole market that is interested in the phone market.

Airtel can as well come up with Wi-Fi easy band other than the regular use of modems in homes and small offices. This could highly help Airtel get hold of its Competitive rivalry.
4 LITERATURE REVIEW
This chapter brings the literature concerning pricing strategies and customer retention of a firm. The reason for this chapter is to bring together the carried researched work with what previous Researchers and writers have found out regarding pricing strategies and customer retention.

4.1 Nature of Pricing Strategies
Price is the ultimate payment in the switch of an offered good or service. This is explained in other words as the worth or importance associated with a good or service and thus we can say pricing strategies is a method where different companies establish prices for the services and products that they provide when penetrating the market and when already penetrating in one. (Roxer 2009)

Yan (2008) thinks that the marketing configuration of a company forms the underlying base of pricing strategies for instance the non-intergraded competitive pricing.
Fall (2008) brought into light that various strategies of pricing are coached under guidelines of a couple of resolutions embracing the financial, commercial and psychological factor.
David & Simonetto (2005) bring into light that innovation and positive movement of pricing strategies and its application as seen through the positive continuous achievement in sales is always not seen by the external members of a company.
Donald (2004) informed that in the marketing environment, pricing strategy is a hard and complicated element and has a necessity to show the supply and demand relations. The available strategies used in pricing provide a simpler base for firms to attain their fore set objectives, share of the market and gain index.

4.1.1 Types of pricing strategies
Forman and Hunt (2005) identifies that there are 13 strategies of pricing among which include the following Low Price Supplier Strategy experience curve, Leader Pricing, Complementary pricing, Penetration Pricing, Price skimming and Premium pricing
Hinter Huber (2008) informs that a company’s rate of profitability and retention levels are highly affected by pricing. He highlights that the pricing strategies differ variously depending on the available industry, country of operation, available clients and as well the way companies offer the value of their products and services which will in the long run determine their productivity.
Hinterhuber (2008) moved forward to identify the existence of three pricing strategies known as Cost based pricing that derives its base from the costs incurred and these include cost-plus pricing, mark up pricing and target return pricing.

Competition based pricing whose base is on the over sight of how competitors set their prices as a major ground of setting price and include Parallel pricing, Umbrella pricing, Skim pricing and giving the price as valued to the average market value of the goods and services.

Doctors et al “2004, p.16) as well identifies value based pricing as a part of pricing strategies.

Michael (2004) explains about the existence of Competitive pricing which he explains as the type of pricing that involves the use of competitor prices as a base for setting own prices. Prices set are a little bit lower, higher or the same as the competitor depending on the strategy you employ to position your products and services.

Chin(2008) educates that Prices of competitors can be observed from the market environment and be used to offer guidance in setting personal prices though this needs to be done with extra care and clarity after a detailed research on the financial standing of the products and services.

Michael (2004) as well identifies another pricing strategy known as Multi-dimensional Pricing strategy which involves pricing of a company’s service or product using an idea of multiple numbers. In this case, price no longer stands as a single monetary amount but rather carries other dimensions like monthly payments, number of payment and down payments.

Biggs and Kelly (2006) brought forward 3 strategies of pricing for broadband and include; Flat rate pricing where customers are charged a constant non changing amount irrespective of use, Volume based pricing where clients are charged depending on the data amount downloaded, Time based pricing where customers are charged depending on the amount of time spent online.

Flat rate pricing is gaining more attractiveness as time goes by due its firm positive impact on subscriber base and broadband industry with other countries.

Bundling and Quantity discount pricing strategy as discussed by Thomason, (2007) is another pricing strategy where a client receives a benefit for doing bulk purchases. This is measured through lower per unit pricing such that a customer pays less when he buys more of the product like a product being cheaper if he buys a bulk of 5 than buying a quantity of one .This is so important in helping to create product awareness.
Heskett (2009) talked about Price-Quality Pricing Strategy as another type of pricing strategy where customers carry an opinion that products or services that have a high price carry a high level of quality. The opinions carried in this are always with complex products and are not easy to test but can be associated with constant use and discovery of value.

Natal(2006) as well opened up that quality pricing is a one way pricing strategy to carry market segmentation where a certain class of customers desiring a certain quality are identified and targeted and companies adjust their prices higher than those asked by competitors.

Foreman and Hunt(2005) identified Premium pricing strategy where by companies decide to lower the prices of their products and services below the normal re known price so as to attract those customers that value the smallest difference in commodity prices.

Kyle (2009) discovered that Version pricing Strategy is commonly used in industries that offer technical services and products where the same identified product is sold in more than two structures or conformations. A first trial version of a structure may be sold out at a very cheap value or given out for free .She as well discovered the Loss leader pricing strategy where you see the service or product in order to attract a large number of customer to do purchases who when in the customer basket are willing to buy the prices products which in the long run leads to increase of profit. She furtherly explained that this type of strategy is best applied when there exist customers that do bulk purchasing at the same time.

4.2 Customer Retention Measures

An improved rate of customer retention can be foreseen in Global market environment when effectual mechanisms of control are put in place for companies providing services because such companies will be able to reduce and cut cost of executing and harmonizing marketing strategies and make appropriate deviations more effective in Worldwide markets.

In the industry of Information Technology, Haines (2004) says that companies in this industry are not so keen in taking consideration the use of metrics that form a basic for the success of customer retention of a company. He advises that it’s of great importance for managers and executives to come up with formations that capture the customer retention activities which can be used to support the company’s objectives and strategies.
White (2008) generalized that high levels of customer interactions and maintenance of available customers in the long run return improve effectiveness and satisfaction. The constant behavior of showing concern to customers grows into a company habit though may be effective in some companies and not in others.

Morgan et al (2007) discovered that there are various elements involved in creation of a company’s image and one of which includes the after purchase customer retention service that will aim at keeping the customer for possible future purchases. Haris et al discovered that other factors like performance in sales are on a right hand associated with customer retention, employment contentment but denied the fact that marketing skills was part.

Zalloco et al (2008), they noted that customer retention can be observed through the level of connection developed between the employees of a firm and its clients inspite of the identified challenges.

4.2.1 Factors that influence customer retention
According to Brats (2004), adjustability and compliance in the process of making decisions and putting them into practice has a direct influence on the customer retention plans of a company.

Jensen (2004) as well talked about his belief in flexibility in the process of making decisions for he believes that all procedures and processes of a firm move around the ideas decided by management.

The skills that company employees show that are self-possessed highly affect the level of customer retention (Vieala and Gonzalez, 2006, Ferin et al 2006).

Johlke (2006) in his research discovered that top management and company employees do not have a clear and outstanding knowledge about the need and results of customer retention. Top management does not deeply take customer retention as a serious matter and lightly looks at it as just a by-company element.

Customer retention is an important element that should always be included in the strategies of an organization. Missions and objectives in a company should be designed in such a way that they develop behaviors of employees into embracing Customer retention and giving it an upper priority (Mallin 2008).

Management should provide check controls and offer learning opportunities to the employees which in the long run will uplift the whole aspect of customer
retention. (Johnstone and Marshall 2005) This will further uplift the general performance of a company.

The best strategy in customer retention is not a one way strategy but rather a combination of various processes that companies use before putting their goods to the market. The best idea behind is meeting the right person at the right time using the best available techniques in order to influence the sales in the right way like promotional selling. (Abed and Haghighi 2009)

4.3 The correlation between pricing strategies and customer retention

These days, firms mainly rely on the positive performance of sales to achieve profits and thus are sensitive with the way they price their products and services and companies that are in favor of customer orientation always prefer lower prices as to have a large pool of customers flowing their way (Donalds 2004). On the same note, Wiley (2005) informed that the whole idea of adequate pricing of company products and services is mainly targeted to positively influence a company’s sales volume which brings the reason why companies at entry stage use penetrative pricing where they put their products in the market at a slightly lower price than that of competitors.

Customer retention is mainly determined by the pricing strategies put in place by a firm. The way management of firms decide to price their products has a high effect on the rate of customer retention, for example, Considering the existence of 2 companies offering products of the same make and quality with one offering a less monetary value to the market, Clients will highly desire and decide to purchase from the company that offers the products at a lower price as opposed to the one charging highly. (Thomson 2005)

Hilton et al(2005), Dawes et al(2006) spoke out that customer retention is highly affected by the pricing strategies that are put in place and the formula companies position their products and services in the global competitive market will determine the extent of retained customers. Taking a look of penetrative pricing strategy for a company that is new in the market is the best to apply for it will provide products at lower prices and thus attracting more customers who are willing to buy the less priced products and with good management, this will in the long run uphold the high rate of customer retention.

Johnston (2005) says that there are various factors that determine the rate of customer retention like Personal traits, Organizational factors and many more but he puts more
emphasis on pricing strategies as the major determinant for customers in a company for they are mainly moved and impressed by the price differences between companies. The weight of pricing strategies on customer retention highly depends on their effective application in the existent whole market. For customers who perceive value more than anything, then application of value based pricing strategies should be seriously taken into consideration so as to bring observable rate of customer retention. Naumann (2008)

In order to maximize customer retention, it has to be linked to the marketing goals of the company and closely be associated to customer loyalty and pricing through critically observing the reactions of customer price sensitivity. (Anderson et al 2003). Customer retention is highly achieved when customers are observed and their interests met regarding the increase and fall of prices.
5 DATA COLLECTION

In this Section, the researcher shall concentrate on the different study design used, the sampling design and as well inform about the sample size used to acquire needed information. The instruments of data collection will be presented as well as the analysis of the data the researcher carried to acquire the data.

5.1 Design of study

Descriptive research of design was used which involved the use of cross sectional research design that is a single time design of study that involves explanatory designs to give an explanation of the existent pricing strategies and the level of customer retention at Airtel(T) Ltd.

5.2 Sampling Design

Various departments at Airtel (T) Ltd were exposed to Stratified sampling which involved the human resource department, Marketing department and finance department so as to assess the involved pricing strategies and existent level of customer retention.

5.3 Sample Size

A total number of 60 members of employee staff at Airtel (T) Ltd were used as sample so as to acquire the needed information concerning pricing strategies and customer retention.

TABLE 3: Respondents’ breakdown

<table>
<thead>
<tr>
<th>Title</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top managers</td>
<td>4</td>
</tr>
<tr>
<td>Marketing managers</td>
<td>9</td>
</tr>
<tr>
<td>Finance managers</td>
<td>9</td>
</tr>
<tr>
<td>Human resources</td>
<td>10</td>
</tr>
<tr>
<td>Supervisors</td>
<td>8</td>
</tr>
<tr>
<td>Sales Personnel</td>
<td>20</td>
</tr>
</tbody>
</table>

5.4 Data Sources

The following data sources were used:

5.4.1 Primary data

The use of questionnaires were involved to obtain first-hand information from the staff of Airtel (T) Ltd so as to assess the involvement of pricing strategies and customer retention.
5.4.2 Secondary data
There was involvement of business journals, reports, magazines and libraries to gather information and then compared to the primary data to come up with a solid conclusion.

5.5 Research procedure
In order to achieve a well winded research, the researcher had to acquire an introduction letter from the Tampere University of Applied Sciences and presented at Airtel (T) Ltd and organization for data collection were organized with the help of designed questionnaires.

5.6 Data Collection Method
5.6.1 Questionnaires
Both close ended and open ended questions were used in the questionnaire in order to gather information from a diverse team of Airtel (T) Ltd in the different departments of Finance, Marketing and Human resource including the top managers. Questionnaires was a choice among the methods of data collection because they carry an element of convenience and employees could feed in the data at their own time of convenience.

5.6.2 Data analysis
An identified tool was chosen to analyze data and have it processed using both the manual and electronically statistical packages to identify the correlation between pricing strategies and customer retention of Airtel(T)Ltd which in the end helped in presentation of data as a final meaningful piece that involved the use of graphs and tables to ease understanding.

5.6.3 Data quality control
Data was straight away gathered from the field by the researcher by the assistance of questionnaires which proved successful since it was the best way for the employees who were so caught up by their office responsibilities and had so limited time for interviews.

5.7 Limitations
There was a constrain of time that the researcher had to face due too the fixed research schedule but it was solved by replanning and scheduling so as to take advantage of available time.
CONCLUSION
This chapter includes the different methods of data collection, analysis and interpreted so as to come up with the best appropriate solutions for this particular study.
6 FINDINGS AND RESULTS

This chapter brings into light the discoveries from the research questions majorly the primary data and presented in both tables and graphs.

General findings to general information

6.1 Demographic features

The demographic features are given presenting the sex, education levels and sex of respondents.

Response rate

A combined number of 60 questionnaires were presented to the various departments of Airtel (T) Ltd and after the whole successful exercise, they were collected and data gathered.

6.1.1 Respondents’ Sex

TABLE 4: Respondent’s sex

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>37</td>
<td>61.6%</td>
</tr>
<tr>
<td>Female</td>
<td>23</td>
<td>38.3%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 1)

As observed on the above table, 61.6% of the respondents were male and 38.3 % were female employees.

The ratio of the male to ladies is lower

6.1.2 Respondents’ Age

TABLE 5: Respondent’s Age

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29</td>
<td>25</td>
<td>41.6%</td>
</tr>
<tr>
<td>30-39</td>
<td>19</td>
<td>31.6%</td>
</tr>
<tr>
<td>40-49</td>
<td>8</td>
<td>13.3%</td>
</tr>
<tr>
<td>50-59</td>
<td>8</td>
<td>13.3%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 2)
Using the questionnaire, the respondent’s age was sought. Many of the employees belonged to the age group of 20-29 which was 41.6% and 30-39 years which was 31.6%. Age groups 40-49 years and 50-59 were 13.3% each. This means that majority of Airtel (T) Ltd employees are of young age and still strong to offer more skills.

### 6.1.3 The Level of Education

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>21</td>
<td>35%</td>
</tr>
<tr>
<td>Diploma</td>
<td>16</td>
<td>26.6%</td>
</tr>
<tr>
<td>Degree</td>
<td>16</td>
<td>26.6%</td>
</tr>
<tr>
<td>Masters</td>
<td>5</td>
<td>8.3%</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>3.3%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 3)

As observed in table 6 above, many of the employees were Certificate holders with 35% followed by degree and diploma holders with 26.6% each followed by Master’s degree with 8.3%. This means that majority of Airtel(T)Ltd have a basic level of education which is an important element.

### 6.2 Research findings to Objective One.

Findings to discover the various forms and uses of pricing strategies at Airtel(T)Ltd were carried out and well observed and summarized in both tabular and graphical form.
6.2.1 Use of pricing strategies to influence Customer retention

The employees of Airtel (T) Ltd were asked whether the marketing department relies on pricing strategies to influence the rate of customer retention of customers at Airtel (T) Ltd.

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>30</td>
<td>50%</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>16.6%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>13</td>
<td>21.6%</td>
</tr>
<tr>
<td>Always</td>
<td>7</td>
<td>11.6%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 1)

FIGURE 4: Source: Primary Data

From the discovery the response was positive with 70% of the respondents who agreed with the statement and agreed that the organization uses pricing strategies so as to influence customer retention at Airtel (T) Ltd.
6.2.2 Use of Various Pricing strategies to influence Customer retention

Findings were carried out to discover whether Airtel(T)Ltd uses a various number of pricing strategies to influence the rate of customer retention and results were collected as seen below;

TABLE 8: Use of various strategies to influence customer retention

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>30</td>
<td>50%</td>
</tr>
<tr>
<td>NO</td>
<td>5</td>
<td>8.3%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>8</td>
<td>13.3%</td>
</tr>
<tr>
<td>Not aware</td>
<td>17</td>
<td>28.3%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 2)

FIGURE 5: Source: Primary Data

50% of the employees accepted that Airtel (T)Ltd employs a number of pricing strategies, 8.3% denied the fact that pricing strategies are used while 28.3% stated that they were not aware of the pricing strategies used.
6.2.3 Use of pricing Strategies to influence customer retention

Airtel employees were asked to inform whether Airtel(T) Ltd uses Pricing Strategies to influence Customer retention and the results were as below:

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>30</td>
<td>50%</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>8.3%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>12</td>
<td>20%</td>
</tr>
<tr>
<td>Always</td>
<td>13</td>
<td>21.6%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 3)

50% of the employees gave a positive response that pricing strategies are used to influence the retained customers at Airtel(T) Ltd, 12% responded that they sometimes use it. 13% responded always in comparison to 5% respondents who emphasized that pricing strategies were not used.

FIGURE 6: Source: Primary data
6.2.4 Single pricing strategy to influence customer retention

Airtel employees were asked whether Airtel (T) Ltd applies a single pricing strategy to influence customer retention and the results were as below;

TABLE 10: Single pricing strategy to influence customer retention

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>10</td>
<td>16.6%</td>
</tr>
<tr>
<td>No</td>
<td>25</td>
<td>41.6%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>12</td>
<td>20%</td>
</tr>
<tr>
<td>Always</td>
<td>13</td>
<td>21.6%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 4)

FIGURE 7: Source: Primary Data

It was discovered as represented in the table above that 16.6% of the employees said yes, 41.6% said NO, 20% of the respondents said sometimes while 21.6% stated always. Thus it was found out that Airtel does not use a single pricing strategy to influence customer retention.
6.2.5 Departmental concern on customer retention

Airtel employees were asked whether all departments are concerned with Customer retention and the results were gathered as below;

TABLE 11: Departments concerned with customer retention

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequencies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>40</td>
<td>66.6%</td>
</tr>
<tr>
<td>NO</td>
<td>10</td>
<td>16.6%</td>
</tr>
<tr>
<td>Not aware</td>
<td>10</td>
<td>16.6%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 5)

FIGURE 8: Source: Primary Data

From the discovery, 66.3% of the employed confirmed that all departments at Airtel (T) Ltd were concerned with customer retention, 16.6% were not aware whether all departments at Airtel (T)Ltd were concerned with customer retention while 16.6% said that not all departments were concerned but rather the marketing department
6.3  **Findings to research objective Two.**

Findings to examine the various factors that affect customer retention at Airtel (T) Ltd were carried out and results presented.

6.3.1  **Use of various factors to influence customer retention**

Airtel employees were asked to inform whether Airtel (T) Ltd uses other factors to influence customer retention and the results were collected as below.

Figure 3: Use of various factors to influence customer retention

![Pie chart showing the percentage of respondents for different levels of agreement about the use of various factors to influence customer retention.](image)

FIGURE 9: Source: Questionnaire. (Question 6)

As shown from figure 3 above, it was found out that there are various factors used to influence retention of customers and results were as seen 55% respondents who said yes by agreeing, 20% strongly disagreed, 15% agreed and only 10% of the respondents indicated strongly agreed. Thus, it was discovered that Airtel uses other various factors to influence customer retention.
6.3.2  Pricing strategies a major influence of customer retention

Airtel employees were asked to inform whether pricing strategies are a major influence of customer retention at Airtel(T)Ltd and the results are presented in a table below:

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>31.6%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>23</td>
<td>38.3%</td>
</tr>
<tr>
<td>Not aware</td>
<td>3</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 7)

The discovery showed that 25% said yes that pricing strategies are a major influence of customer retention, 38.3% said that sometimes the pricing strategies influence customer retention and 31.6% showed that pricing strategies are not a major of customer retention.
6.3.3 Are all customer retention decisions taken up by top managers

Airtel employees were asked whether all customer retention decisions were made only top managers and the results were provided as below;

TABLE 13: All customer retention decisions are taken by top management

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
<td>41.6%</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>16.6%</td>
</tr>
<tr>
<td>All the time</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>10</td>
<td>16.6%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 8)

FIGURE 11: Source: Primary Data

From the findings, it was discovered that 41.6% and 25% agree to the fact that customer retention decisions are taken up by top managers while 16.6% said no and 16.6% said sometimes.
6.3.4 Measurement of retained customers

A Question was asked on whether Airtel (T) Ltd frequently measures its retained customers and responses were as follows;

TABLE 14: Airtel (T) Ltd measurement of its retained customers

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>10</td>
<td>17%</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
<td>50%</td>
</tr>
<tr>
<td>Always</td>
<td>5</td>
<td>8%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 9)

From the findings above 50% of the employees said NO as compared to 17% who said yes while 8% and 15% said always and sometimes respectively. Therefore it was discovered by the researcher that Airtel does not always measure customer retention rate
6.3.5 Employee opinion in customer retention

Discovering the fact that employees are involved in the day to day running of Airtel, there was a great desire to know if their opinions and ideas are taken into consideration in the decision making process of customer retention the table below shows the results.

TABLE 15: Employee counts in decision making opinion

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>12</td>
<td>20%</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>Always</td>
<td>8</td>
<td>13.3%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>25</td>
<td>41.6%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 10A)

From table 14 above, 20% accepted that their opinions are taken into consideration while 25% denied the fact that there opinions are taken into contribution. 13.3% stated that their opinions are always considered whereas 41.6 said sometimes their opinions are taken while sometimes are ignored.
6.4 Findings to research objective Three.

Findings to review the correlation between pricing strategies and customer retention were carried out, analyzed and presented as below

6.4.1 Pricing strategies assist in influencing customer retention

An inquiry on whether pricing strategies assist in influencing customer retention at Airtel (T) Ltd was done and the analysis below shows the results obtained.

TABLE 16: Pricing strategies assist in influencing customer retention

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>30</td>
<td>50%</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>17%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 10B)

FIGURE 14: Pricing strategies assist in influencing sales performance

As seen in the figure above, 50% agreed to the fact that pricing strategies assist in influencing customer retention at Airtel (T) Ltd, while 25% strongly agreed, 17% disagreed while 8% strongly disagreed
6.4.2 Retained customers increased by the use of pricing strategies

A question was asked whether the number of retained customers at Airtel (T) Ltd is highly increased by the use of pricing strategies and the results are demonstrated in the figure below,

![Percentage Chart](image)

FIGURE 15: Retained customers at Airtel (T) Ltd are increased by pricing strategies

As seen from the above bar graph, 74.6% of the employees accepted that the rate of retained customers is quickened by the use of pricing strategies as compared to 26.4% who disagreed. This shows that pricing strategies have a big function in customer retention.
6.4.3 Customer satisfaction achieved because of pricing strategies

A question on whether customer satisfaction is achieved as a result of the use of pricing strategies was asked and the results were as below;

![Percentage Chart](image)

**FIGURE 16:** Customer satisfaction attained because of use of pricing strategies

A high number of employees in figure 16 accepted that customer retention had been achieved because of the use of pricing strategies. A very small number of employees disagreed.

6.4.4 Pricing Strategies reduce customer retention Loss

A survey on whether loses in customer retention are minimized because of pricing Strategies was carried out and results were as below;

**TABLE 17:** Pricing Strategies reduce customer retention loss

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>30</td>
<td>50%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>17</td>
<td>28.3%</td>
</tr>
<tr>
<td>Disagree</td>
<td>9</td>
<td>15%</td>
</tr>
<tr>
<td>strongly disagree</td>
<td>4</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 13)
As seen from the table 17 above, it was found that 50% agreed and 28.3% strongly agreed while 15% of the respondents disagreed and 7.5% strongly disagreed.

**6.4.5 Use of only pricing strategies to influence customer retention**

A question was asked on whether management of Airtel (T) Ltd Solely depends on pricing strategies to influence customer retention and below are the finding analyzed using frequency table and pie chart.

**TABLE 18: Solely depend on pricing strategies to influence retention**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>12</td>
<td>20%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>4</td>
<td>7%</td>
</tr>
<tr>
<td>Disagree</td>
<td>29</td>
<td>48%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Questionnaire. (Question No 14)
As seen from the above figure and table, it was found out that Airtel(T)Ltd does not entirely depend on pricing strategies to influence customer retention as shown by 48% who disagree and 25% who strongly disagreed.
7 SUMMARY AND RECOMMENDATION
This chapter brings the sum up of what was discovered and what should be done. The recap was obtained from the discoveries of the study which are shown on chapter Six.

- To discover the different forms of Pricing Strategies.
From the discovery, a large number of employees accepted that pricing strategies highly affect the rate of customer retention and as well agreed that there are various pricing strategies that Airtel uses to influence customer retention which in summary means the high level of customer retention observed at Airtel is because of the well-chosen pricing strategies used.

  o Recommendation
It is mandatory to make a thorough research on the pricing strategies to be used by the top management before putting them into practice which will in the end lead to promotion of efficiency. Acquiring staff members with more skills to understand and have more knowledge concerning pricing strategies should be taken into consideration.

To find out the various factors that affect customer retention

- To determine the different factors that influence Customer retention
From the study, it was noticed that there exist more factors that affect customer retention like employee attitude toward customer retention and the quality of services offered though pricing strategies were summed up to be the major determinant of customer retention and more so employee opinions are always considered when making decisions without forgetting the fact decisions concerning customer retention are taken serious.

  o Recommendation
Major elements that aim at promoting customer retention should be uplifted. Activities like more training of employees concerning customer retention, improvement of customer service and many more should be highly taken into consideration for through this, a satisfied customer is developed who in the end feel part of the company

- To discover the correlation between Pricing strategies and Customer retention
From the discovery, it was found out that there is a positive correlation between pricing strategies and customer retention. When the big picture of pricing strategies is ignored, then the rate of customer retention reduces at a very high rate.

- **Recommendation**
Management should come up with better pricing strategies that will aim at uplifting customer retention so as to uplift the rate of customer retention. Pricing strategy like Penetrative pricing strategy should be uplifted because through the lower introductory prices, a large number of customers will flow in thus demonstrating a positive correlation. Strategies that lead to migration of customers away from the company should be done away with.
8 CONCLUSION

The researcher had to carry this study because of observation in the uprising number of shifting customers from one network to another and specifically Airtel (T) Ltd. The study was important to the commissioner because it would highlight the reasons why customers do not stay for so long in Airtel(T)Ltd. The targets were to come up with the best solution so as to have Airtel maintain the highest level of customer retention. The commissioner had great wishes to know the extent to which pricing strategies affect customer retention. This became the major purpose of the study.

The researchers’ objectives were to find out the different types of pricing strategies, factors that influence customer retention and discover the relationship between pricing strategies and customer retention. These objectives were so important to the commissioner for they would highly help in improving the pricing strategies so as to be able to retain as many customers as possible.

The main respondents for the study carried were Airtel (T) Ltd employees and that explains the use of Questionnaires to gather information.

The research process was successful and yielded productive results to both the commissioner and researchers and ideas like more training of employees and improving customer care were taken into consideration to supplement the pricing strategies where it has been discovered that pricing Strategies at Airtel (T) Ltd affect the rate of customer retention which have enhanced the efficiency, effectiveness and profitability of the company. It should also be noted that all departments are concerned with customer retention according to the survey carried out which means that, all departments have a hand in the customer retention of Airtel (T) Ltd.
QUESTIONNAIRE FOR AIRTTEL (T) LTD

We are Gibson Ndyamukama and Magdalena Machibya, final year students of Bachelor of International Business at Tampereen University of Applied Sciences undertaking a research on the topic Pricing Strategies and Customer retention at Airtel(T) Ltd. This research is intended to get information which will be used and treated confidentially and solely for academic purposes.

1. Gender
   a) Male
   b) Female

2. Age of Respondent
   a) 20-29
   b) 30-39
   c) 40-49
   d) 50-59

3. Highest level of education
   a) Certificate
   b) Diploma
   c) Degree
   d) Masters
   e) Others Specify............................

SECTION B
1. Does the marketing Department rely on pricing strategies to influence Customer retention of Airtel (T) Ltd?
   a) Yes
   b) No
   c) Sometimes
   d) Always

2. Does Airtel (T) Ltd have a number of pricing Strategies it applies while influencing customer retention?
   a) Yes
b) No

c) Sometimes

d) Always

3. Do you use Pricing strategies to influence Customer retention at Airtel(T)Ltd?

a) Yes

b) No

c) Sometimes

d) Always

4. Do you apply a single Pricing Strategy to influence customer retention?

a) Yes

b) No

c) Sometimes

d) Always

5. Are all departments concerned with customer retention?

a) Yes

b) No

C) Not aware

d) Always

B. EXPLORING THE VARIOUS FACTORS THAT AFFECT CUSTOMER RETENTION AT AIRTEL (T) LTD

6. Do you use various factors to influence Customer retention?

a) Yes

b) No

c) Sometimes

d) Always

7. Are pricing strategies a major influence of Customer retention at Airtel(T)Ltd?

a) Yes

b) No
8. Are all customer retention determinant decisions taken up by top management?
   a) Yes
   b) No
   c) Sometimes
   d) Always

9. Does Airtel (T)Ltd often measure its retained customers?
   a) Yes
   b) No
   c) Sometimes
   d) Always

10. Does employee opinion count in customer retention?
    a) Yes
    b) No
    c) Sometimes
    d) Always

What are some of the pricing strategies that management uses to influence Customer retention and how are customers managed at Airtel (T)Ltd?
C. REVIEWING THE RELATIONSHIP BETWEEN PRICING STRATEGIES AND CUSTOMER RETENTION AT AIRTEL (T)Ltd

11. Does Pricing Strategy assist other departments in influencing Customer retention?
   a) Agree
   b) Strongly agree
   c) Disagree
   d) Strongly Disagree

12. Is the number of retained customer at Airtel(T)Ltd fastened by the use of pricing strategies?
   a) Agree
   b) Strongly agree
   c) Disagree
   d) Strongly Disagree

13. Is customer satisfaction achieved as a result of the use of pricing strategies?
   a) Agree
   b) Strongly agree
   c) Disagree
   d) Strongly Disagree

14. Are loses in customers volume minimized as the result of the use of pricing strategies?
   a) Agree
   b) Strongly agree
   c) Disagree
   d) Strongly Disagree

15. Do you solely depend on pricing strategies to influence Customer retention at Airtel (T)Ltd?
   a) Agree
   b) Strongly agree
   c) Disagree
   d) Strongly Disagree
In your opinion, is customer satisfaction achieved as a result of the use of pricing strategies?
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