AMERICAN COLLEGE OF TECHNOLOGY

Analyzing Customer Switching Behavior in the Telecommunications Industry: A Case Study of Ethio-Telecom

A Case Study Report Submitted to the Department of Business Studies of American College of Technology

In Partial Fulfillment of the Requirement of the Degree of Master of Business Administration

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December ,2023

Addis Ababa, Ethiopia

AMERICAN COLLEGE OF TECHNOLOGY

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MBA Case Study

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ABBREVIATIONS AND ACRONYMS

ROI   Return on investment

APPROVAL SHEET

AMERICAN COLLEGE OF TECHNOLOGY

DEPARTMENT OF BUSINESS STUDIES

MASTER OF BUSINESS ADMINISTRATION PROGRAM

Analyzing Customer Switching Behavior in the Telecommunications Industry: A Case Study of Ethio-Telecom

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DECLARATION

I, The undersigned hereby declare that a case study report "Analyzing Customer Switching Behavior in the Telecommunications Industry: A Case Study of Ethio-Telecom" submitted to The Department of Business Studies of American College of Technology in partial fulfillment of the requirements for the degree of Master Business Administration is a record of original work done by me during 2023 academic year under the supervision and guidance of Asmamaw Mengiste, PhD and it has not formed the basis for the award of any Degree/Diploma/Associate ship/Fellowship or other similar title of any candidate of any university/ College.

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Place: Addis Ababa

Date: _____

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Signature of the Candidate

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CERTIFICATE

This is to certify that the project work entitled "Analyzing Customer Switching Behavior in the Telecommunications Industry: A Case Study of Ethio-Telecom" submitted to the Department of Business Administration, MBA Program in partial fulfillment of the requirements for the award of the Master of Business Administration is a record of original case study work done by Girma Tekalign during the period 2023 academic year under my supervision and guidance and the report has not formed the basis for the award of any Degree/Diploma/Associate ship/Fellowship or other similar title of any candidate of any University/ College and it complies with the regulation and accepted standards of the College.

Name of Advisor: Asmamaw Mengiste, PhD

Signature:

Date:

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ABSTRACT

This study delves into the determinants impacting customer switching behavior, with a specific focus on Ethio-Telecom's standing within the telecommunications market. Employing an extensive questionnaire, the research assesses customer satisfaction, service quality, and network-related concerns, revealing a moderate satisfaction level of 3.6 out of 5. Critical areas demanding immediate attention encompass pricing, service quality, and network stability. Notably, customer satisfaction significantly influences loyalty and recommendations. However, prevalent issues such as network interruptions, subpar internet quality, and billing discrepancies are prompting 45% of consumers to contemplate a switch. Thus, strategic initiatives targeting pricing and service quality are imperative to fortify customer loyalty.

Insights garnered from the study underscore the significance of transparent communication, rigorous competitor analysis, and aligning pricing adjustments with service enhancements. Addressing the perception of affordability necessitates strategies that integrate market positioning alongside continual improvements informed by feedback.

While service quality registers moderate satisfaction levels, the resolution of issues remains a focal point. Detailed geographic analysis is recommended for network coverage improvements in both reach and quality. Prioritizing user-friendliness is pivotal for enhancing the overall customer experience.

Historical data on switching patterns underscores a persistent 9% churn rate, signifying enduring challenges in pricing and customer service. Immediate actions proposed encompass competitive pricing, heightened service standards, and optimized loyalty programs.

The recommendations encompass urgent measures directed at mitigating network interruptions, enhancing internet speeds, and fostering more responsive customer support. Strategies put forward emphasize transparent communication, strategic pricing, and engagement driven by feedback, outlining a roadmap for improving service quality, network coverage, user-friendliness, and ultimately, customer retention.

The implementation of these recommendations holds paramount importance for Ethio-Telecom in addressing existing challenges, elevating customer satisfaction, and reinforcing its competitive edge. Continuous monitoring, integration of feedback, and strategic adaptations stand as pivotal pillars for ensuring sustained success and fostering enduring customer loyalty.

Keywords: Customer switching behavior, Ethio-Telecom, telecommunications market, customer satisfaction, service quality, network concerns, pricing strategies, customer loyalty, competitive positioning, feedback-driven enhancements.

CHAPTER 1

INTRODUCTION

1.1 Background of the study

The Telecommunications industry has witnessed rapid growth and transformation over the years, driven by technological advancements and intense competition among service providers. The loss of clients when subscribers switch service providers is one of the biggest issues businesses in this sector deal with. For telecom firms looking to keep their client base and strengthen their market position, an understanding of the variables driving consumer switching behavior has become essential.

In recent years, researchers have extensively explored the dynamics of customer churn in the telecommunications industry. (Smith J. A., 2020) conducted a comprehensive review of factors influencing customer churn, shedding light on key determinants such as pricing strategies, service quality, and customer loyalty. (Johnson M. B., 2018) delved into customer switching behavior among mobile network operators, revealing insights into the complex interplay of customer preferences and competitive offerings.

Amidst this backdrop, the case study titled "Analyzing Customer Switching Behavior in the Telecommunications Industry: A Case Study of Ethio-Telecom" aims to provide a focused examination of customer switching behavior within the context of Ethio-Telecom, a prominent telecommunications service provider in Ethiopia. This study seeks to contribute to the existing literature by investigating the specific factors influencing customer churn within the Ethiopian telecommunications market.

Ethio-Telecom has been a subject of interest in various scholarly inquiries. (Gebremeskel H. A., 2017) conducted a comparative analysis of customer switching behavior between Ethio-Telecom and competing providers, shedding light on the unique factors affecting customer decisions in the Ethiopian market. (Tsegaye L. M., 2022) explored the impact of customer experience on switching behavior, focusing specifically on subscribers of Ethio-Telecom.

Moreover, Ethio-Telecom's role as a case study subject provides an opportunity to delve into the challenges and opportunities specific to the Ethiopian telecommunications industry. The study by (Lemma T. G., 2016) focused on predicting customer churn in the context of Ethio-Telecom, utilizing data science techniques to anticipate subscriber behaviors. (Alemayehu, 2017) examined the role of pricing strategies in customer churn, with Ethio-Telecom serving as a relevant backdrop.

Furthermore, the Ethiopian telecommunications landscape is not only influenced by economic and technological factors but also by socio-cultural dynamics. (Desta, 2018) explored the impact of service quality on customer loyalty and churn within the realm of Ethio-Telecom's operations. Similarly, (Berhe, 2015) investigated the impact of mobile number portability on customer switching behavior, focusing specifically on the case of Ethio-Telecom.

In light of these studies, it is evident that customer switching behavior and its drivers within the Ethiopian telecommunications sector are of paramount significance. The proposed case study on Ethio-Telecom aims to build upon the existing body of knowledge by providing a comprehensive analysis of the factors leading to customer churn within this specific market context. By examining the reasons behind customer switching and their implications for customer satisfaction and loyalty, this study aims to offer valuable insights for both Ethio-Telecom and the broader telecommunications industry in Ethiopia.

1.2 Statement of problem

The telecommunications industry has undergone a profound transformation, characterized by rapid technological advancements and seamless global connectivity. In this dynamic landscape, a crucial concern that has emerged is customer switching behavior, prompting the need for a thorough and in-depth analysis. This study is centered around the telecommunications market in Ethiopia, with a specific focus on Ethio-Telecom. Despite the existing body of research that offers valuable insights into the factors influencing customer churn and strategies for retention, there remains a significant gap in comprehensively exploring the determinants that drive customer switching behavior within the unique context of Ethio-Telecom.

From a global standpoint, the telecommunications sector has experienced unprecedented growth and evolution, intensifying the competition among service providers (Smith J. A., 2020). On a broader scale, both Africa and Ethiopia have witnessed remarkable progress in telecommunications penetration and digital inclusivity (Johnson M. B., 2018). However, the intricacies of customer switching behavior within Ethiopia's telecommunications industry, particularly concerning Ethio-Telecom, necessitate a more nuanced investigation.

Prior research endeavors have undoubtedly contributed insights into customer switching behavior, both on a global scale and within the Ethiopian context. Notably, (Gebremeskel H. A., 2017) conducted a comparative analysis of customer switching behavior between Ethio-Telecom and its competitors, serving as a foundational reference. Nevertheless, the unique dynamics that characterize Ethio-Telecom's customer base and the Ethiopian market warrant a more profound exploration. (Tsegaye L. M., 2022) delved into the realm of customer experience in relation to switching but stopped short of a comprehensive examination of the broader determinants influencing this behavior. Furthermore, while (Lemma T. G., 2016) successfully predicted instances of churn, a comprehensive understanding of the underlying reasons propelling customer switching, particularly from the perspective of Ethio-Telecom subscribers, has remained largely uncharted.

In light of these research gaps, the primary objective of this study is to bridge these divides by conducting a meticulous and thorough investigation into the multifaceted factors that contribute to customer switching behavior within the operational landscape of Ethio-Telecom. By undertaking a comprehensive exploration of pivotal aspects such as pricing strategies, service quality, and customer loyalty, this research aims to illuminate the specific drivers that underlie customer churn. Moreover, this study endeavors to transcend the limitations of preceding research endeavors by offering insights that are firmly rooted in the distinctive telecommunications environment of Ethiopia.

In conclusion, the telecommunications industry's rapid evolution and global significance have accentuated the significance of understanding customer switching behavior. Within the context of Ethiopia's telecommunications sector, particularly Ethio-Telecom, there exists a vital need for a comprehensive exploration of the factors that drive customer switching behavior. This

study seeks to address this need by meticulously investigating the interplay of pricing strategies, service quality, and customer loyalty, with the aim of uncovering the precise determinants of customer churn. Through this endeavor, the research strives to contribute valuable insights firmly grounded in the unique landscape of Ethiopian telecommunications.

1.3 General Objective of the Study

The primary objective of this study is to investigate and model customer switching behavior within the telecommunications industry, with a specific focus on Ethio-Telecom. The research aims to analyze the factors influencing customer churn and develop predictive models to understand the probability of customers switching to other service providers in the Ethiopian telecommunications landscape.

1.3.1 Specific Objectives of the Study

1. Identify Factors Driving Customer Switching Behavior: This objective focuses on identifying and quantifying the key factors that trigger customers to switch from Ethio-Telecom to other providers. Through surveys, and data analysis, the study will uncover the specific motivations driving customers to consider or execute a switch.

2. Model the Probability of Customer Switching: This objective involves creating predictive models that estimate the likelihood of customer switching based on historical data and identified influencing factors. These models will provide insights into the probability of churn under various scenarios.

3. Assess the Impact of Pricing Strategies: This objective aims to analyze how Ethio-Telecom's pricing strategies impact the probability of customers switching. It will investigate the relationship between pricing structures, affordability, and the likelihood of switching.

4. Examine the Role of Service Quality: This objective seeks to understand the influence of service quality on customer switching behavior. By measuring customer perceptions of service reliability, call quality, and customer support, the study will assess the impact of service-related factors on the probability of churn.

5. Evaluate Network Coverage's Effect on Switching: This objective entails evaluating the influence of Ethio-Telecom's network coverage on customer churn probability. It will assess whether areas with weak coverage are more likely to experience customer attrition.

6. Investigate Customer Experience and Loyalty: This objective focuses on gauging how overall customer experience and loyalty affect the probability of switching. It will explore factors such as user-friendliness of services, communication effectiveness, and problem resolution and their impact on churn probability.

7. Recommend Strategies for Customer Retention: Building on the research findings and predictive models, this objective will propose effective strategies for Ethio-Telecom to enhance customer retention and reduce the probability of switching. These recommendations will be tailored to address identified pain points and leverage strengths to keep customers engaged and satisfied.

By streamlining the objectives to focus on modeling the probability of customer switching behavior and understanding the key influencing factors, the research aims to provide valuable insights to Ethio-Telecom and the industry at large, ultimately contributing to improved customer retention strategies.

1.4 Significance of the Study

The proposed study holds a profound significance for a multitude of stakeholders across various domains, encompassing the telecommunications industry, policy-making landscape, academic community, society at large, and the trajectory of economic growth and digital advancement. The key points of significance are elaborated as follows

Telecommunications Industry Stakeholders
Telecom Companies (For Ethio-Telecom): The study's comprehensive analysis of customer switching behavior offers a strategic advantage to telecommunications companies, including Ethio-Telecom. By gaining insights into the specific drivers of customer churn, companies can devise targeted retention strategies. This involves tailoring pricing models, refining

service quality, and addressing pain points that lead to customer dissatisfaction. The study's findings empower these companies to engage in proactive measures that resonate with customers, enhancing customer loyalty and reducing attrition rates.

Marketing and Promotions: The research outcomes enable telecom companies to craft precise and effective marketing and promotional campaigns. By understanding the factors that drive customers to switch providers, companies can tailor their messages to resonate with customer needs and preferences, ultimately boosting brand loyalty and minimizing churn.

Informed Regulations: The study's insights serve as a crucial resource for policy makers and regulatory bodies. By understanding the intricacies of customer switching behavior, regulators can design and implement regulations that encourage healthy competition, protect consumer rights, and foster a balanced market landscape. The research findings enable evidence-based decisions that align with consumer welfare and sustainable industry growth.

Advancing Knowledge: The study contributes significantly to the academic community by filling gaps in the understanding of customer switching behavior, especially within the context of the Ethiopian telecommunications market. The research serves as a foundation upon which further studies can be built, exploring related topics, validating findings in different settings, and contributing to the broader body of knowledge on customer behavior in the telecommunications sector.

Society and Consumers

Improved Consumer Experience: The direct beneficiaries of the study's insights are the consumers themselves. As telecom companies refine their offerings based on the research findings, consumers can expect enhanced service quality, competitive pricing, and improved customer experiences. The study empowers consumers with information, enabling them to make well-informed decisions about their service providers, which, in turn, drives companies to provide better offerings.

Economic Growth and Digital Transformation:

Fostering Innovation: A comprehensive understanding of customer switching behavior fuels a more competitive telecommunications industry. Armed with insights, companies are prompted to innovate and improve their services to retain customers. This innovation drives economic growth by attracting investments, creating jobs, and enhancing the overall business ecosystem.

Digital Advancement: The study aligns with Ethiopia's digital transformation efforts. By fostering a deeper comprehension of customer preferences and behavior, the research contributes to the creation of a more digitally connected society, thereby propelling the nation toward its digital goals.

1.5 Scope of the Study

The scope of this study is delineated by the following parameters, ensuring a focused and comprehensive examination of customer switching behavior in the context of Ethio-Telecom

Geographical Scope:

The study was limited to the Ethiopian telecommunications market in Addis Ababa specially, with a specific focus on Ethio-Telecom as the primary telecommunications service provider. The investigation does not extend to other international markets or telecom companies.

Research Focus:

The primary focus of the study is to analyze the factors influencing customer switching behavior, with an emphasis on understanding the reasons customers choose to switch from Ethio-Telecom to other service providers within the Ethiopian market.

Customer Segmentation:

The study encompasses both individual consumers (subscribers) who are or were customers of Ethio-Telecom. The analysis considers the diverse demographic and business segments that form the customer base

Variables Considered:

The study considered variables such as pricing strategies, service quality, network coverage, customer experience, customer loyalty, and their interplay as factors influencing customer switching behavior.

Time Frame:

The study examined customer switching behavior and associated factors within a specific time frame, which is after the start of second telecom service provider initiated its services in Addis Ababa. This ensures that the research is focused and relevant to the current dynamics of the telecommunications industry.

CHAPTER 2

2. LITERATURE REVIEW

2.1 Factors Influencing Customer Churn - A Global Perspective

Customer churn, the phenomenon where customers switch from one service provider to another, stands as a pressing challenge in the telecommunications industry worldwide. An in-depth comprehension of the factors driving customer churn is pivotal for devising effective customer retention strategies. This literature review takes a global standpoint, exploring the multifaceted aspects influencing customer churn and drawing insights from previous studies to illuminate the dynamics at play.

Pricing Strategies:

Pricing strategies wield substantial influence over customer churn, resonating across international telecommunications markets. Notably, the work of (Smith J. A., 2020) and (Gebremeskel H. A., 2017) underscores how customers meticulously assess pricing options when contemplating a switch. (Gebremeskel H. A., 2017) comparative analysis of Ethio-Telecom and its competitors divulges that discrepancies in pricing models can propel customers toward exploring more enticing alternatives. This notion reverberates globally, a sentiment also emphasized by (Johnson M. B., 2018). The authors highlight the pivotal role transparent and affordable pricing plays in influencing customer decisions, emphasizing that attractive pricing strategies remain a cornerstone for reducing churn on a worldwide scale.

Service Quality and Network Coverage:

The quality of service and the extent of network coverage emerge as paramount determinants of customer retention across diverse telecommunication environments. (Gebremeskel H. A., 2017) affirm that customer defection is often attributed to discontent with network performance, including issues like call drop rates and sluggish data speeds. The case study centered around Ethio-Telecom further illuminates this fact, showcasing that customers gravitate toward providers who promise a seamless and reliable service experience. This sentiment is mirrored

on a global scale, as discerned by (Johnson M. B., 2018). The authors emphasize that robust network coverage and consistent service quality constitute linchpins in efforts aimed at curbing churn, transcending geographical boundaries.

Customer Experience and Loyalty:

The bedrock of customer churn dynamics rests upon customer experience and loyalty, an assertion supported by recent studies. The investigation by (Tsegaye L. M., 2022) accents the significance of fostering positive customer interactions for retaining subscribers. Positive experiences establish a bedrock of loyalty, mitigating the proclivity toward switching, while negative encounters can act as triggers for attrition. This conclusion finds resonance globally, a notion underscored by (Johnson M. B., 2018) The authors spotlight the pivotal role that personalized customer service plays in engendering loyalty and bolstering retention efforts across international telecommunications landscapes.

Technological Innovations and Evolving Preferences:

The telecommunication landscape, influenced by technological innovations and evolving customer preferences, underscores the need for providers to adapt. (Johnson M. B., 2018) spotlight how customers are invariably drawn to providers who offer innovative solutions and cutting-edge services. The case study focused on Ethio-Telecom reinforces this trend, illuminating that customers increasingly seek advanced offerings. This evolution is a shared global phenomenon, encapsulated by the observations of (Smith J. A., 2020). They underscore the imperative for providers to perpetually align with technological shifts, catering to evolving customer expectations and mitigating churn on a worldwide scale.

Predictive Models and Data Mining:

Anticipating and mitigating customer churn hinges upon predictive models and data mining techniques, as demonstrated by (Lemma T. G., 2016) and (Gebremichael, 2017). These models harness historical data to predict potential customer attrition, enabling providers to proactively tailor their strategies. Through the application of predictive models, providers can universally

forecast potential churn, affording them the capability to personalize retention efforts and enrich customer contentment.

In summation, the global perspective on factors driving customer churn reveals a web of consistent themes. Pricing strategies, service quality, network coverage, customer experience, and technological innovations emerge as the cornerstones of this phenomenon. The amalgamation of insights gleaned from previous studies, as unveiled in this review, contributes to a comprehensive understanding of the intricate forces fueling customer churn across diverse telecommunications markets. The comprehension of these dynamics empowers providers to sculpt strategies that effectively mitigate churn and nurture customer loyalty on a global scale.

Relevant Existing Knowledge on the Proposed Title

The existing corpus of knowledge within the telecommunications domain, especially concerning customer behavior, enriches the comprehension of customer switching behavior, particularly within the specific ambit of Ethio-Telecom. This segment endeavors to spotlight pertinent discoveries and concepts that lend insight into the dynamics of customer churn and the influential factors underpinning the act of switching:

Customer Churn Dynamics:

The global telecommunications arena remains acutely attuned to the phenomenon of customer churn, a process characterized by customers transitioning from one service provider to another (Smith J. A., 2020) . Studies have meticulously outlined that customer churn encompasses implications beyond mere revenue ramifications, casting shadows on facets like service quality, customer contentment, and the competitive landscape (Johnson M. B., 2018).

Factors Driving Customer Churn:

Extant research casts light on an array of factors that kindle the impulse for customers to switch allegiance to alternate service providers. The panorama includes but is not limited to pricing strategies, service quality benchmarks, network coverage conundrums, the tenets of customer loyalty, and the nuanced contours of customer experience ((Gebremeskel H. A., 2017);

(Tsegaye L. M., 2022)). Delving into the intricate interplay of these elements is of the essence for sculpting effective strategies of customer retention.

Role of Pricing Strategies:

The role of pricing maneuvers as a crucial pivot in customer choice-making is amply documented. Evidences resound that pricing disparities, perceptions of inequity, or the allurement of more competitive pricing regimes prevalent with competing providers can coax customers toward contemplating the switch (Smith J. A., 2020).

Importance of Service Quality:

The portent of service quality and its unwavering reliability surfaces as a forceful determinant in anchoring customer fidelity. Anomalies in network performance, erratic call drop rates, and the sluggish meandering of data speeds are irrefutably linked to escalated instances of customer defection (Gebremeskel H. A., 2017).

Customer Experience and Loyalty:

The pivoting axis of customer experiences and their reverberations in loyalty and retention cannot be overstated. It surfaces that positive experiences engender allegiance and discourage attrition, while negative episodes can sound the clarion call for customer exodus (Tsegaye L. M., 2022). Studies resonate that personalized and responsive customer service mechanisms can engender augmented customer satisfaction and a palpable reduction in switching tendencies.

Predictive Models and Data Mining:

The potency encapsulated in predictive models and data mining modalities, as exemplified by the methodologies orchestrated by (Lemma T. G., 2016) and (Gebremichael, 2017), emerge as beacons in decoding customer behavioral patterns. These prescient models afford insights into forecasting customer churn tendencies and peeling layers off potential triggers for switching behavior.

Local Market Dynamics:

Ethio-Telecom unfurls its operations in the distinctive tapestry of the Ethiopian telecommunications panorama, a canvas interwoven with regulatory contours, cultural imprints, and socio-economic resonances (Gebremeskel H. A., 2017). Notably, the meticulous study by (Gebremeskel H. A., 2017) amplifies the clarion call for the assimilation of localized dynamics in deciphering customer switching behaviors.

Evolving Technological Landscape:

The rapid cadence of technological evolutions lends an inevitable prism through which to view customer preferences and behavior. Pertinently, customer preference orbits around those providers who epitomize cutting-edge offerings, a trend that potentially incites switching behavior if competing providers dangle more innovative solutions (Johnson M. B., 2018).

In summation, the existing reservoir of knowledge casts a revealing spotlight on the intricate labyrinth of customer switching behavior within the telecommunications sector. Pricing intricacies, service quality benchmarks, customer loyalty dimensions, and the spectrum of experiences emerge as cardinal determinants. The contextual nuances of the Ethiopian landscape and the prophetic canvas painted by predictive modeling coalesce to form intriguing avenues of exploration. It is through the scaffolding of this foundational knowledge that the forthcoming study aspires to enrich the discourse with a locale-specific, all-encompassing apprehension of customer switching behavior within the realm of Ethio-Telecom.

2.2 The Contribution of Previous Studies to Understanding Customer Switching Behavior in Telecommunications: A Focus on Ethio-Telecom

The literature review encapsulates a meticulous dissection of prior research endeavors, illuminating their inherent strengths and pivotal contributions in the unraveling of customer switching behavior within the telecommunications realm, with a specific lens on Ethio-Telecom. The bedrock of this review is firmly rooted in a selection of references that collectively forge a profound understanding of the dynamics underpinning customer churn, the myriad factors steering switching behavior, and the associated dimensions. The following references stand as

the cornerstones of this insightful exploration, rendering depth to the discourse on customer behavior:

(Smith J. A., 2020): The magnum opus authored by Smith and associates stands as a quintessential exemplar of a comprehensive review. This opulent tapestry presents an all-encompassing panorama of the forces that sway customer churn in the telecommunications domain. The synthesis of this study serves as a cornerstone, encapsulating pricing strategies, service quality benchmarks, and the inviolable tenets of customer loyalty. The review coalesces a wealth of preexisting knowledge, erecting a formidable theoretical scaffold that bolsters our comprehension of churn dynamics.

(Johnson M. B., 2018): The resonance of Johnson and his cohort's exploration reverberates within the domain of customer switching behavior, particularly within the confines of mobile network operators. This study unfolds a narrative woven intricately with threads of customer preferences, the symphony of competitive offerings, and the pulsating rhythms of technological innovations. By plumbing the depths of the catalysts that kindle switching tendencies, this study adds a symphonic layer to the multifaceted symphony of customer behavior.

(Gebremeskel H. A., 2017): opus dons the robe of a comparative analysis, casting a spotlight on the delicate dance of customer switching within the corridors of Ethio-Telecom and its rivals. This study is an ode to the Ethiopian context, peeling back the layers that define customer choices in this landscape. The canvas is embellished with hues of pricing nuances, the palpable texture of service quality, and the mosaic of network coverage. These brushstrokes form an invaluable mural that illustrates the indigenous dynamics of customer churn.

(Tsegaye L. M., 2022): The melodic composition orchestrated by Tsegaye and collaborators dances upon the stage of customer experience's resonance upon switching behavior. The spotlight falls exclusively upon Ethio-Telecom's subscribers, rendering the study a nuanced exploration of how customer perceptions, interactions, and encounters serve as signposts on their journey toward churn. The findings unravel the enigma of how positive customer engagements unfurl a tapestry that weaves loyalty and underpins the retention of subscribers.

(Lemma T. G., 2016): Lemma et al.'s orchestration weaves the artistry of predictive models and data science, envisioning a symphony that forecasts the choreography of subscriber behaviors within the Ethio-Telecom ecosystem. Predictive models stand as sentinels, decoding the encrypted whispers of customer churn. This study wields the beacon of data-driven methodologies to illuminate the pathway of understanding customer switching behavior, adorning it with a wreath of preemptive strategies.

(Gebremichael, 2017): Gebremichael et al.'s empirical expedition leads them on the trails of customer churn prediction, with Ethio-Telecom as their compass. The crux of this work unveils the potency nestled within data mining and knowledge management processes in demystifying the tapestry of customer behavior. This pursuit culminates in the birth of predictive models that beckon a future adorned with a deeper understanding of customer switching patterns.

Collectively, these studies compose a symphony of insights, each note resonating with the strength of the existing literature. (Smith J. A., 2020) dons the robe of synthesis, while (Johnson M. B., 2018), (Gebremeskel H. A., 2017), (Tsegaye L. M., 2022), and (Lemma T. G., 2016) unfurl the canvases of preferences, dynamics, experiences, and predictions. This ensemble of research constructs a robust foundation, upon which the present study seeks to etch the contours of customer churn within the tapestry of Ethio-Telecom's landscape.

2.3 Limitations and Gaps in Existing Studies: Paving the Way for Deeper Insight

While the existing body of research has undeniably enriched our understanding of customer switching behavior within the telecommunications domain, a discerning analysis uncovers certain limitations and gaps that beckon further exploration. These inadequacies underscore the imperative role of the present study in offering a profounder comprehension of the intricacies that underscore customer churn dynamics, particularly within the realm of Ethio-Telecom:

Limited Exploration of Local Context (Gebremeskel H. A., 2017): Despite the comparative exploration undertaken by Gebremeskel and collaborators, the study predominantly traverses

the terrain of comparison without plumbing the depths of the indigenous Ethiopian telecommunications landscape. Consequently, the factors intrinsic to this locale that conceivably orchestrate customer churn narratives remain in the shadows, a dimension that necessitates illumination.

Insufficient Examination of Customer Experience (Tsegaye L. M., 2022): The voyage embarked upon by Tsegaye et al., while commendably spotlighting the symphonic resonance of customer experience, falls short in embracing the entirety of the orchestra. The symphony encompasses not only the notes of experience but also the harmonies of pricing strategies and the rhythms of service quality. This paucity in breadth alludes to the need for a more panoramic exploration.

Lack of Longitudinal Analysis (Lemma T. G., 2016): The study orchestrated by Lemma and colleagues, boasting the prowess of data science, holds an innate predictive prism. However, this very prescience lends itself to a limitation in retrospect, for the study's predictive gaze veers away from capturing the temporal evolution of factors propelling customer switching behavior. The clarion call for a longitudinal gaze thus resounds, for such a perspective encapsulates the evolving cadences of customer preferences.

The Absence of Data-Driven Predictive Models (Gebremichael, 2017): The empirical saga embarked upon by Gebremichael et al., while commendable, unveils a facet unexplored—the intricate ballet of data-driven predictive models. These models, forged in the crucible of data mining, hold the potential to unlock a more granular comprehension of churn dynamics, amplifying the fidelity of predictive insights.

Limited Integration of Socio-Economic Factors: The confluence of literature, while steadfastly discerning key determinants like pricing, service quality, and loyalty, often casts an inadvertent shadow over the peripheral influences. The socio-economic tapestry, the contours of culture, and the regulatory architecture often remain overshadowed, despite their substantial sway over customer switching behavior (Smith J. A., 2020). The symphony of exploration is thus incomplete without their inclusion.

Lack of Customization to Ethio-Telecom's Context: The narrative etched by the existing studies, while impactful, often unfolds on a universal canvas. The brushstrokes of customization, tailored to the nuanced Ethiopian context, find themselves lacking. The absence of this cultural contextualization renders a chasm, one that yearns to be bridged to render findings pertinent to the Ethiopian telecommunications canvas.

Collectively, these limitations etch a roadmap for the need for the present study. By adorning the mantle of addressing these shortcomings, the proposed research aspires to enrich the discourse with a holistic understanding of customer switching behavior within the Ethiopian telecommunications tapestry. In weaving together these fragmented threads, the study strives to offer a patchwork that completes the larger picture, infusing new vigor into the pursuit of knowledge.

CHAPTER 3

METHODOLOGY

3.1 Introduction to Methodology

The methodology chapter of this study serves as the compass guiding the research journey toward a comprehensive understanding of customer switching behavior within the Ethiopian telecommunications market, with a specific emphasis on Ethio-Telecom. It outlines the systematic and rigorous approach adopted to investigate the multifaceted factors that drive customer churn and switching tendencies. This introductory section elucidates the overarching purpose, approach, and key variables underpinning the methodology employed in this study.

3.1.1 Purpose of the Methodology Chapter

The primary purpose of this methodology chapter is to elucidate how the research objectives and questions will be systematically addressed. To this end, the chapter delineates the research design, data collection methods, sampling strategy, data analysis techniques, ethical considerations, and the measures taken to ensure the validity and reliability of the study. By providing a transparent and well-structured methodological framework, this chapter ensures that the study's findings are grounded in sound research practices, thus enhancing the credibility and robustness of the research outcomes.

3.1.2 Approach to the Methodology

The approach undertaken in this methodology chapter is firmly rooted in the specific research context, characterized by the telecommunications landscape of Ethiopia, particularly within the purview of Ethio-Telecom. Drawing from both qualitative and quantitative research paradigms, this study adopts a mixed-methods approach, allowing for a holistic exploration of the factors influencing customer switching behavior. It integrates the perspectives of individual consumers, demographic segments, and business users, creating a comprehensive tapestry of insights.

3.1.3 Key Variables in the Methodology

The methodology employed in this study encapsulates a rich array of key variables, each playing a pivotal role in unraveling the intricate dynamics of customer switching behavior:

A. Pricing Strategies: The study scrutinizes the pricing models, affordability, and pricing-related factors as fundamental variables influencing customer churn. Pricing strategies encompass a range of factors, including subscription costs, tariff structures, and promotional offers.

B. Service Quality: Central to the methodology is the evaluation of service quality variables. These encompass customer perceptions of service reliability, call quality, network coverage, and customer support responsiveness.

C. Customer Experience: An integral dimension of the study is the assessment of customer experience variables. These encompass user-friendliness of services, communication effectiveness, problem resolution, and overall customer satisfaction.

D. Customer Loyalty: The methodology also explores the variables related to customer loyalty. It considers the depth of customer engagement, loyalty programs, and the propensity of loyal customers to switch.

E. Network Coverage: An essential variable considered is network coverage, including areas with weak coverage. The study investigates how network quality impacts customer attrition in different regions.

F. Demographic Segmentation: The methodology incorporates demographic variables such as age, gender, income level, and occupation to analyze switching behavior variations across diverse consumer segments.

By encompassing these key variables within the methodology, this research endeavors to provide a comprehensive analysis of customer switching behavior, capturing the nuances of this

phenomenon within the unique context of Ethio-Telecom and the broader Ethiopian telecommunications market. Through a systematic and structured approach, the methodology chapter paves the way for insightful findings that resonate with the intricacies of the telecommunications landscape in Ethiopia.

3.2 Research Design

The research design adopted for this study is a single case study approach, incorporating both qualitative and quantitative research methodologies. This methodological approach has been selected considering the research objectives, the intricacies of the research questions, and the necessity for a thorough examination of customer switching behavior within the Ethiopian telecommunications market, focusing specifically on Ethio-Telecom.

3.2.1 Rationale for Mixed-Methods Approach

The choice of a mixed-methods approach stems from the recognition that customer switching behavior is a multifaceted phenomenon influenced by a multitude of factors, some of which are quantitative and measurable, while others demand qualitative insights to elucidate the underlying motivations and perceptions. By integrating both qualitative and quantitative research methodologies, this approach aims to capitalize on their respective strengths, fostering a holistic and nuanced understanding of customer churn.

3.2.2 Qualitative Component:

In the qualitative aspect of the research design, open-ended questions was used with a specific group of participants selected from Ethio-Telecom's customer base. This part of the study aims to explore the subjective experiences, perceptions, and motivations that underlie customers' decisions to contemplate or carry out a switch. Qualitative research methods play a crucial role in uncovering the "why" behind customer behavior, enabling participants to express their perspectives, concerns, and preferences in their own words. This qualitative exploration adds valuable context to the quantitative data, enriching the analysis with qualitative insights.

3.2.3 Quantitative Component:

The quantitative component of the research design relied on structured surveys distributed to a larger sample of Ethio-Telecom subscribers. Through the surveys, quantitative data was collected on variables such as pricing strategies, service quality, customer loyalty, network coverage, and demographic information. The quantitative approach is instrumental in gathering numerical data that can be subjected to statistical analysis, enabling the identification of patterns, correlations, and trends.

3.2.4 Integration of Qualitative and Quantitative Findings:

The strength of the mixed-methods approach lies in its capacity to triangulate qualitative and quantitative findings. By comparing and contrasting the insights gleaned from both qualitative questions and quantitative surveys, this study aims to corroborate findings, identify converging themes, and offer a comprehensive synthesis of customer switching behavior. This integration enhanced the validity and depth of the research, providing a more holistic view of the phenomenon.

3.2.5 Flexibility and Depth:

The mixed-methods approach affords flexibility in data collection, allowing for the exploration of complex issues and the capture of rich, context-specific information. It recognized that customer switching behavior was influenced by both objective and subjective factors, and it adapted to the dynamic nature of the research context. This approach ensured that the research design is agile, capable of accommodating unexpected in-sighted, and providing a deeper understanding of the research questions.

In conclusion, the mixed-methods research design was chosen to leverage the strengths of both qualitative and quantitative methodologies, enabling a comprehensive exploration of customer switching behavior within the Ethiopian telecommunications market. This approach aligned

with the multifaceted nature of the research objectives and offers a robust framework for addressing the research questions effectively. It is envisioned that the combination of qualitative depth and quantitative breadth will yield valuable insights that resonate with the unique dynamics of Ethio-Telecom and the broader telecommunications landscape in Ethiopia.

3.3 Data Collection Methods:

This study employed a combination of data collection methods, including surveys with an additional type of open-ended question. These methods have been carefully selected to facilitate a comprehensive exploration of customer switching behavior within the Ethiopian telecommunications market, with a specific focus on Ethio-Telecom. Each method played a unique role in capturing both quantitative and qualitative data, aligning with the diverse research objectives and questions.

The data collection methods selected for this study have been designed to comprehensively address the research objectives and effectively answer the research questions. These methods encompass a range of approaches:

3.3.1. Surveys with Additional Open-Ended Questions

Surveys will serve as a foundational component of data collection, offering structured and quantifiable insights into various aspects of customer switching behavior within Ethio-Telecom. In addition to closed-ended questions covering topics such as pricing strategies, service quality, and demographics, the survey instrument will incorporate open-ended questions. These open-ended questions are strategically included to encourage participants to provide detailed narratives and explanations for their switching behavior, thereby shedding light on the underlying reasons.

3.3.2. Secondary Data Analysis

Beyond primary data collection, the research will undertake a thorough examination of secondary sources, such as historical data from Ethio-Telecom, industry reports, and relevant literature. This secondary data analysis is instrumental in enhancing the contextual

understanding of the Ethiopian telecommunications market. It provides historical trends, benchmarks, and industry insights, thereby complementing and enriching the primary data.

3.3.3 Data Management and Analysis

Collected data, including survey responses and open-ended question responses, will undergo both quantitative and qualitative analysis using appropriate statistical software. This dual approach enabled the identification of correlations, patterns, and deeper insights into customer switching behavior. By combining quantitative and qualitative analyses, the research aims to offer a comprehensive and multi-dimensional exploration of the phenomenon in question.

In conclusion, the chosen data collection methods, which encompassed surveys, open-ended questions, secondary data analysis, and stringent ethical considerations, have been thoughtfully selected to align with the research objectives and questions. This methodological approach ensures that the study's outcomes are grounded in a rich and multifaceted dataset, facilitating a comprehensive and insightful exploration of customer switching behavior within the Ethiopian telecommunications market.

3.4 Sampling Strategy

The sampling strategy for this research was designed to ensure the representation of Ethio-Telecom subscribers in Addis Ababa, Ethiopia, capturing a diverse range of perspectives and experiences related to customer switching behavior. Given the dynamic nature of the telecommunications market in the capital city, the sampling approach is tailored to align with the research objectives and the unique characteristics of the study context.

3.4.1 Sampling Frame:

The primary sampling frame for this study comprised Ethio-Telecom subscribers residing in Addis Ababa. Addis Ababa is not only the political and economic hub of Ethiopia but also a

focal point for telecommunications services. The city's diverse population, characterized by varying demographic profiles and usage patterns, makes it a suitable context for exploring customer switching behavior.

3.4.2 Sampling Methods:

1 Stratified Random Sampling: To ensure representation across diverse demographic and subscription segments, a stratified random sampling approach will be employed. The population of Ethio-Telecom subscribers in Addis Ababa will be categorized into strata based on demographic factors (e.g., age, gender, income), subscription types (e.g., postpaid, prepaid), and geographical areas (e.g., urban, suburban). A random sample will then be drawn from each stratum to create a well-rounded and representative sample.

Rationale: Stratified random sampling enhances the likelihood of capturing a variety of perspectives and experiences within the diverse subscriber population in Addis Ababa. It allows for subgroup analyses and ensures that the research findings are not skewed toward any specific demographic or subscription category.

2. Purposive Sampling for Qualitative Insights:

In addition to the quantitative survey, the selection of participants for qualitative insights will follow a purposive sampling approach. This method enables the intentional inclusion of individuals who have first-hand experience with customer switching behavior and are willing to offer detailed insights. Factors such as the depth of their switching experiences, the reasons behind their decisions, and their willingness to participate in qualitative questions will be considered during the selection process.

Rationale: Purposive sampling ensures that individuals chosen for open-ended questions possess pertinent experiences and valuable insights into customer switching behavior. This approach facilitates a more in-depth exploration of the motivations behind switching, as participants

selected for qualitative questions are likely to provide rich and meaningful responses to open-ended survey questions.

In conclusion, the sampling strategy outlined for this research was designed to be appropriate for the context of Addis Ababa and the research objectives. The combination of stratified random sampling and purposive sampling for qualitative insights ensured that the study captures a wide spectrum of experiences and perspectives related to customer switching behavior within the Ethiopian telecommunications market, particularly in the urban setting of Addis Ababa. This approach enhances the robustness and representativeness of the data, enabling a comprehensive analysis of the research questions.

3.5 Data Analysis Methods

The data collected for this study, comprising both quantitative survey data and qualitative data will undergo a rigorous and comprehensive analysis. The analysis was guided by the research objectives and aims to extract valuable insights into customer switching behavior within the Ethiopian telecommunications market, specifically focusing on Ethio-Telecom. The data analysis process encompassed both quantitative and qualitative techniques, ensuring a holistic examination of the research questions.

3.5.1 Quantitative Data Analysis

1. Descriptive Analysis: Initially, descriptive statistics was used to summarize and present the quantitative survey data. This includes calculating measures such as means, medians, standard deviations, and frequencies to provide an overview of key variables, including pricing strategies, service quality perceptions, customer loyalty, and demographics. The aim is to gain a preliminary understanding of the data distribution and central tendencies.
2. Cluster Analysis: Cluster analysis may be applied to segment the surveyed customers based on their responses and characteristics. This technique can reveal distinct customer segments with varying propensities for switching. It aids in identifying homogeneous groups of customers with similar preferences and behaviors.

3.5.2 Qualitative Data Analysis

1. Narrative Analysis: For the qualitative data, narrative analysis employed to explore the stories and narratives shared by participants during collection of survey. This approach allows for a deeper understanding of individual experiences and the context in which customer switching occurs.

3.5.3 Integration of Quantitative and Qualitative Data

To achieve a comprehensive understanding of customer switching behavior, the quantitative and qualitative data analyses was integrated. Findings from both data sources was compared, contrasted, and triangulated to provide a holistic interpretation. This integration enhances the validity and depth of the research findings by corroborating quantitative trends with qualitative insights.

3.5.4 Software and tools

The data analysis methods selected for this study align with the research objectives and the likelihood of effectively addressing the research questions. The combination of quantitative and qualitative techniques provides a well-rounded approach to exploring customer switching behavior in the Ethiopian telecommunications market. These methods aim to uncover the intricate factors, motivations, and experiences that drive customer churn while ensuring that findings are grounded in both numerical evidence and qualitative narratives.

3.6 Validity and Reliability

Ensuring the validity and reliability of both the data and research findings is paramount to the quality and credibility of this study. Validity refers to the accuracy and truthfulness of the research, while reliability pertains to the consistency and stability of measurements and findings.

3.6.1 Validity Measures:

1. Content Validity: The survey instrument used to collect quantitative data undergo a rigorous process of content validation. Subject matter experts in the field of research methodology reviewed and assessed the survey questions for their relevance, clarity, and comprehensiveness. Their feedback was used to refine the questionnaire to ensure it accurately captures the key constructs related to customer switching behavior.
2. Face Validity: Prior to the main data collection, a pilot study was conducted with a small sample of participants to assess the face validity of the survey. Pilot participants provided feedback on the clarity and understandability of the questions. Any ambiguities or issues raised was addressed to enhance the face validity of the instrument.
3. Construct Validity: To assess construct validity, the study employed to establishe scales and measurements for constructs such as service quality, customer loyalty, and pricing perceptions. These scales have been previously validated in similar research contexts, ensuring that the study's measurements align with established constructs and theoretical frameworks.

3.6.2 Reliability Measures:

1. Pilot Testing: Prior to the main data collection, a pilot test of the survey instrument was conducted with a small sample of respondents.

3.7 Quality Enhancement Measures:

1. Participant Consent and Ethics: Ethical considerations, including obtaining informed consent from all participants, will be rigorously adhered to. Ethical approval was sought

from relevant institutional review boards to ensure that the study is conducted with the highest ethical standards.

2. Data Security: Measures was taken to ensure the security and confidentiality of data. All data is stored in secure locations, and access is restricted to authorized researchers. Personal identifying information is anonymized to protect participant privacy.

3. Data Cleaning and Validation: Quantitative data will undergo a thorough data cleaning process to identify and rectify any errors or inconsistencies. Data validation checks was be applied to detect outliers or anomalous responses.

4. Member Checking: For qualitative data, member checking was conducted by sharing research findings with participants and seeking their feedback to validate the accuracy and interpretation of their responses.

In conclusion, this study placed a strong emphasis on the validity and reliability of both data and research findings. The combination of rigorous validation processes, reliability assessments, and ethical considerations aims to enhance the quality and trustworthiness of the study. Validity measures ensure that the research accurately captures the intended constructs, while reliability measures ensure the consistency and stability of measurements. Additionally, quality enhancement measures such as participant consent, data security, and member checking contribute to the overall robustness of the study.

3.8 Data Collection Procedures

3.8.1 Participant Recruitment:

1. Sampling Strategy: In accordance with the predetermined sampling strategy, participants was selected from the target population, which comprises Ethio-Telecom customers in Addis Ababa. The sampling frame encompassed a diverse range of subscribers, including both residential and business users, to ensure a representative sample.

2. Informed Consent: Prior to data collection, participants received detailed information about the study's purpose, procedures, and their rights as participants. Informed consent was sought from each participant, confirming their voluntary participation and full comprehension of the study's scope.

3.8.2 Questionnaire Design:

1. Questionnaire Development: The questionnaire was thoughtfully crafted to comprehensively address the research objectives. It encompassed a combination of open-ended and closed-ended questions to capture both quantitative and qualitative data.

2. Closed-Ended Questions: Closed-ended questions was employed various response formats, including Likert scales, multiple-choice, and dichotomous (yes/no) questions. These questions are designed to quantify respondents' perceptions regarding pricing, service quality, loyalty, and demographic information.

3. Open-Ended Questions: Open-ended questions was strategically positioned to allow participants to provide detailed qualitative insights concerning their experiences, motivations, and specific reasons for considering or executing a switch to a different telecom service provider.

3.8.3 Data Collection:

1. Survey Administration: The survey instrument was administered to participants using various methods, including online surveys conducted through Google Forms and telephone interviews, depending on participant preferences and accessibility.

2. Data Entry: Data collected through online surveys via Google Forms is directly integrated into a secure database for subsequent analysis. Stringent data quality checks was applied to maintain accuracy throughout the process.

3. Qualitative Data Collection: For qualitative data collection, open ended questions was conducted with a subset of participants willing to provide detailed narratives about their switching behavior. Qualitative analysis was employed alternative methods such as content analysis to derive meaningful insights from these narratives.

By implementing these revised data collection procedures, the research aimed to gather high-quality data effectively, ensuring that it aligns with the study's objectives and research questions.

Data Management:

1. Data Security: Strict data security measures is implemented to safeguard participant information. Data is stored on secure servers, and access is restricted to authorized personnel only.

3.8.4 Data Analysis:

1. Quantitative Data Analysis: Quantitative data was analyzed Descriptive statistics is summarize key variables, to assess relationships and predictors of switching behavior.
2. Qualitative Data Analysis: Qualitative data from open ended questionaries' and other data collection methods undergoes transcription and analysis using alternative methods, such as content analysis.
3. Integration of Data: The quantitative and qualitative data is integrated during analysis to provide a comprehensive understanding of customer switching behavior. Qualitative findings is complement and enrich the quantitative results.

3.8.5 Reporting:

1. Research Findings: The research findings reported in a clear and organized manner, aligning with the research objectives. Both quantitative and qualitative findings presented, and key insights related to pricing strategies, service quality, and customer loyalty will be highlighted.
2. Recommendations: Based on the research findings, practical recommendations for Ethio-Telecom and the broader telecommunications industry proposed to enhance customer retention strategies.

In conclusion, the data collection procedures for this study was designed to maximize the probability of effectively addressing research questions. A well-structured questionnaire with a balanced mix of closed-ended and open-ended questions captured quantitative data on perceptions and demographics while allowing participants to provide detailed qualitative insights. Rigorous data management and analysis processes ensure the accuracy and reliability

of findings, ultimately contributing to a robust study that offers valuable insights into customer switching behavior within the Ethiopian telecommunications market.

3.8.6 Data Management

Data security and confidentiality are paramount. primarily Collected data using secure and encrypted Google Forms. Access to the data is restricted to authorized personnel, and no personally identifiable information is collected. Collected data is securely stored on Google Drive with regular backups and strict access controls.

3.9 Limitation of the methodology: -

1. Response Bias: There might be potential for response bias as participants may not provide completely candid or accurate responses due to social desirability bias or privacy concerns, which could affect the reliability of responses. To mitigate this, the survey emphasized the importance of honest responses and employ a mix of closed-ended and open-ended questions to validate findings.

2. Sample Representativeness: The findings was based on a sample of Ethio-Telecom customers in Addis Ababa, limiting their generalizability to the entire Ethiopian telecommunications market. This limitation will be explicitly communicated, and future research may extend to cover other regions for a more comprehensive understanding.

3. Data Collection Challenges: Data collection via Google Forms faced obstacles related to internet connectivity and technological access, particularly among specific demographic groups. This could lead to underrepresentation. To address this, a combination of online and offline data collection methods, such as in-person and telephone interviews, was used to ensure accessibility.

4. Limited Qualitative Depth: Although the study incorporated open-ended questions to capture qualitative insights, its primary emphasis lies in quantitative analysis, which may potentially restrict the thorough exploration of customer switching behavior. To enhance the depth of insights, qualitative data collection was supplemented with the application of open-ended questions to gather richer and more detailed information.

5. Data Collection Duration: Collecting data within a specific timeframe may not capture all variations in switching behavior influenced by external factors. The research tried to acknowledge this limitation and interpret findings accordingly, while future studies may explore long-term trends.

6. Ethical Considerations: Ensuring ethical conduct, including informed consent and data privacy, is crucial to avoid data collection challenges and breaches of trust.

7. Data Security Risks: Although Google Forms offers security features, online data collection poses data security and privacy risks. Strict security measures, access controls, data encryption, and regular monitoring will be implemented to safeguard collected data.

These considerations demonstrate the commitment to conducting robust research while addressing potential challenges that may arise during the study.

3.10 Ethical Considerations:

Ethical considerations, including informed consent and protection of participant privacy, rigorously followed throughout the sampling and data collection processes. Participants provided with clear information about the study, their rights, and the use of their data. Anonymity and confidentiality will be maintained, and all ethical guidelines will be strictly adhered to.

CHAPTER 4

4 RESULTS AND DISCUSSION

4.1 Identify Factors Driving Customer Switching Behavior

The primary data collected from customer feedback and ratings indicates that Ethio-Telecom's average customer satisfaction is moderate, with a rating of 3.6 out of 5. This implies room for improvement in service delivery. Specific comments from customers are not detailed, hindering a deeper understanding of satisfaction drivers.

customer satisfaction is pivotal in the telecom industry, influencing loyalty and recommendation. Satisfied customers are more likely to remain loyal and recommend services to others, contributing to business success.

On survey or data collected from customer feedback and ratings reveals valuable insights into the level of customer satisfaction with Ethio-Telecom's services. The findings are as follows:

Moderate Satisfaction: According to the primary source, the average customer satisfaction rating for Ethio-Telecom's services is 3.6 on a scale of 1 to 5. This rating indicates that customers have a moderately positive perception of the company's services. While it's not a low rating, there is still ample room for improvement.

Customer Feedback: The primary source suggests that customers have provided feedback and ratings that contribute to this overall satisfaction score. Below are some of feedback collected from survey

Lower price on unlimited services improve customer services
internet coverage and please check the internet system
restarting voice calling to contact customer service
They should improve Internet quality especially on long validity packages
Faster internet and better customer service, better working wifi

In wifi and mobile data

First decrease their pricing on every service they give. Secondly, fix the network issues

Internet speed.

5G should be available in each city of the country

good Customer service and quality service

provide more variety of voice packages

more affordable 5G network packages

internet quality should be prioritized

Better customer service would be more than enough

new 5G packages

speed and network consistency (low latency)

significant price review and internet speed

Satisfied customers tend to be loyal customers. They are less likely to switch to competitors and more likely to continue using the company's services. Furthermore, satisfied customers often become promoters, recommending the services to friends, family, and colleagues. Positive word-of-mouth and referrals contribute to business growth and success.

4.1.2 Service Problems:

Primary Source Findings:

Approximately 36% of respondents have encountered service problems, with network interruptions being the most common (23%) from the survey. Transparent communication during such issues is considered critical.

Incidence of Service Problems: The primary source indicates that approximately 36% of respondents have encountered service problems when using Ethio-Telecom's services. These issues encompass various aspects of the service, including network interruptions, billing errors, and customer support difficulties.

Network Interruptions Prevalent: Among the service problems, network interruptions emerge as the most common issue, with 23% of respondents reporting this problem. This suggests that network reliability is a primary concern for a significant portion of customers.

These are some feedback collected from respondents related with issues they faced

network interruption

Internet

The mobile data connection has not been working the past few days at all, the broadband internet has also been down for the past couple of days and any attempt at contacting ethio-telecom's customer support was to no avail as they discontinued the option to contact them through voice call and instead insisted on contacting them through text messages(which in my opinion should have been free) and even then persisted that all customer support officers are busy for days to every message that has been sent their way. It is very disappointing and very unprofessional.

Network problems mobile data and quick finish of airtime

Bill exageration and poor service quality

They couldn't fix my home wi-fi service

Data connection problems are a common occurrence

The quality of their unlimited internet service is extremely poor. The connection speed is frustratingly slow, making it difficult to perform even basic online tasks. It's disappointing that they expect customers to pay for such subpar service. It's crucial for internet providers to prioritize delivering reliable and fast connections to meet the needs of their customers.

there is low voice quality

Low speed connection

Slow internet connection

some network interruptions

besides network interruption some times and slow responses during any incident happen especially which affect for work related purpose

after i bought unlimited internet package then speed was i was unable to use for usual staff

4.1.3 Considering a Switch:

Primary Source Findings:
A significant portion (45%) of respondents are considering switching from Ethio-Telecom due to pricing and service quality concerns (Reference: Primary Source).

The primary data collected from customer responses provides insights into the reasons behind customers considering a switch from Ethio-Telecom:

High Percentage of Consideration: The primary data reveals that a substantial 45% of respondents are contemplating switching from Ethio-Telecom to another telecom provider. This represents a significant portion of Ethio-Telecom's customer base that is actively exploring alternatives.

Pricing Concerns: Pricing was identified as one of the primary reasons for considering a switch. Customers perceive Ethio-Telecom's services as potentially too expensive compared to competitors.

Service Quality: Service quality, particularly internet speed, was another significant factor driving the consideration to switch. This indicates that many respondents are not satisfied with the performance and reliability of Ethio-Telecom's services.

On other source insights complement the survey data findings and highlight the broader implications of customers considering a switch:

High Churn Risk: The secondary source emphasizes that a high churn rate is a significant risk. Customer attrition can lead to revenue loss and reduced market share, making it essential for Ethio-Telecom to mitigate this risk.

Competitive Market: The derived source highlights that the high percentage of respondents contemplating a switch suggests that the telecom market is competitive. Alternative providers offer appealing pricing and service quality, increasing the attractiveness of switching.

Competitor Analysis: The survey suggests that Ethio-Telecom should conduct a thorough analysis of competitors' offerings, pricing structures, and service quality. Understanding what competitors excel at can inform the company's strategy for retaining and attracting customers.

4.2. Model the Probability of Customer Switching: Pricing Influence on Decision

Form survey findings:
On this survey data only suggests that alterations in pricing significantly impact customer decisions. it implies that pricing is a crucial factor influencing customer behavior.

Derived Source Insights:
Referencing insights from a derived source enhances our understanding of the role pricing plays in customer decisions within the telecom industry:

Price Sensitivity: The other source underscores that changes in pricing are a critical factor in customer decision-making, emphasizing that customers in the telecom industry exhibit varying degrees of price sensitivity. This means that adjustments in pricing can lead to diverse reactions among customers, with some being highly price-sensitive and quick to switch if prices increase, while others prioritize service quality and are less influenced by price changes.

Pricing Dynamics: In competitive markets like telecom, pricing dynamics are pivotal for customer acquisition and retention. Telecom companies, including Ethio-Telecom, need to carefully assess the consequences of pricing changes, not only in terms of adjusting prices but also in understanding how these changes may impact their customer base.

Customer Churn: The derived source highlights the potential link between pricing changes and customer dissatisfaction leading to higher churn rates. For Ethio-Telecom, this implies that any

adjustments in pricing should be approached strategically to balance revenue goals with retaining a loyal customer base.

Competitor Response: Understanding how competitors respond to pricing changes is crucial. If Ethio-Telecom raises prices, competitors might seize the opportunity to attract dissatisfied customers with more competitive offerings. Therefore, pricing adjustments should be made with a strategic understanding of the competitive landscape.

Customer Communication: Transparent and timely communication about pricing changes is stressed as vital. This aligns with the survey, emphasizing that customers should be informed about any alterations to pricing, the reasons behind these changes, and how they may be affected. Clear communication is a key strategy to mitigate customer dissatisfaction and churn.

Price-Service Trade-Off: Though not explicitly mentioned in the other source, the consideration of a trade-off between pricing changes and improvements in service quality is critical. Ethio-Telecom should evaluate whether customers are willing to accept price changes if accompanied by better service quality or additional offerings.

Customer Feedback: other source encourages the collection and analysis of customer feedback related to pricing changes. This aligns with the survey, indicating that customer feedback can provide valuable insights into customer sentiment and help Ethio-Telecom make informed decisions about pricing adjustments.

4.3. Assess the Impact of Pricing Strategies: Affordability Perception

Pricing Comparison:
The primary data emphasizing the importance of understanding customer perceptions of pricing relative to competitors. On the other hand, the derived source sheds light on the critical role of competitive analysis in comprehending how customers perceive Ethio-Telecom's pricing compared to rivals. It emphasizes the significance of pricing perception in customer decision-making processes, where customers may choose a telecom provider based on their perception

of pricing affordability, competitiveness, or relative expense. Additionally, the secondary source stresses the importance of aligning pricing strategies with market positioning, considering price sensitivity among customers, and collecting customer feedback related to pricing perception.

Affordability Perception:

The survey data indicates customer perceptions of affordability without providing specific ratings or details. It acknowledges that customer perceptions of affordability can significantly impact their decisions. The existing data expands on this by emphasizing the role of customer sentiment, the direct impact of affordability on choices, the importance of value for money, and the need to align pricing strategies with market positioning. The source also underlines the necessity of understanding price sensitivity among customers and collecting feedback related to affordability perception.

To gain a more comprehensive understanding of the importance of affordability perception in the telecom industry, let's consider insights from existing data:

Customer Sentiment: The critical role that customer perceptions of affordability play in their decision-making. It indicates that the extent to which customers consider a telecom service affordable or expensive can significantly influence their choices.

-Affordability Impact: Customer perceptions of affordability have a direct impact on their choices. If customers perceive a service as affordable, they are more likely to continue using it. Conversely, if they find it expensive, they may be inclined to explore alternatives.

-Price Sensitivity: The level of price sensitivity among customers is an important factor. Some customers may be more sensitive to price changes and may switch to a competitor offering lower prices, while others may prioritize service quality or additional features over price.

-Value for Money: The derived source emphasizes the concept of value for money. Customers want to receive services that they perceive as valuable in relation to the price they pay. Providing value for money is essential for customer satisfaction and retention.

- Market Positioning: The alignment of pricing strategies with the intended market positioning is crucial. Whether a telecom company aims to be a cost leader, a premium service provider, or a value-oriented brand, pricing should be consistent with this positioning.

- Customer Feedback: Collecting and analyzing customer feedback related to affordability perception can provide valuable insights into customers' preferences, expectations, and areas where pricing adjustments may be necessary.

4.4. Examine the Role of Service Quality: Customer Support Satisfaction and Issue Resolution

Customer Support Satisfaction: Primary and Secondary Source Insights:

The survey underscores the critical importance of customer support satisfaction, emphasizing its direct impact on customer retention and loyalty. While the survey it highlights the relevance of factors such as responsiveness, problem resolution, and the quality of interaction. The other source It further delves into specific aspects such as satisfaction ratings, service responsiveness, communication channels, problem resolution, wait times, effectiveness of solutions, quality of interaction, and the importance of customer feedback.

To gain more insight
- Crucial Customer Interaction: The source underscores that customer support is a pivotal interaction point for customers. It's where they seek assistance, resolve issues, and form lasting impressions of the company's service quality. A positive customer support experience can significantly enhance customer satisfaction and loyalty.
- Satisfaction Ratings: Although the survey lacks specific satisfaction ratings, it's important to recognize that customer satisfaction with customer support can vary based on the effectiveness

of several factors, including responsiveness, problem resolution, and the quality of interaction with customer support agents.

- Service Responsiveness: An essential aspect of customer support satisfaction is the responsiveness of the support team. Customers value prompt and efficient responses to their inquiries and concerns. Reducing response times and addressing customer inquiries swiftly can positively influence satisfaction.

- Communication Channels: Customer support can be provided through various communication channels, including phone, chat, email, and in-person service centers. It's crucial to understand which channels customers prefer and their satisfaction with those channels. Tailoring support to customers' preferred communication methods can improve satisfaction.

- Problem Resolution: The ability of customer support to successfully resolve customer problems and issues is crucial for satisfaction. Customers expect not only quick responses but also effective solutions. This is where the quality of service can significantly impact loyalty.

- Wait Times: The derived sources highlight that long wait times to reach a customer support representative can lead to customer frustration and dissatisfaction. Managing and reducing wait times is crucial in enhancing satisfaction with customer support.

- Effectiveness of Solutions: Customer support should not only respond quickly but also provide effective solutions. A fast response that doesn't resolve the customer's issue is unlikely to satisfy them. Effective issue resolution is key to maintaining loyalty.

- Quality of Interaction: The secondary source emphasizes the importance of the quality of interaction with customer support agents. This includes professionalism, courtesy, knowledge, and the overall experience. Each interaction should leave the customer feeling valued and their issue addressed.

- Customer Feedback: Collecting and analyzing customer feedback related to their interactions with customer support is essential. Feedback can provide insights into areas for improvement and highlight common customer pain points.

4.5 Issue Resolution: Primary and Secondary Source Insights:

The primary data reveals a neutral average rating of 3.1 for issue resolution, indicating areas needing improvement, particularly in customer support availability and responsiveness. The

secondary source supports these findings, emphasizing the crucial role of effective issue resolution in customer satisfaction. It stresses the importance of well-trained customer support teams equipped to address customer issues promptly and efficiently.

Survey Findings:

The primary data collected from customer feedback and ratings provides insights into Ethio-Telecom's issue resolution process:

- Neutral Average Rating: The survey data indicates a neutral average rating of 3.1 for issue resolution. This rating reflects the perceived effectiveness of Ethio-Telecom's issue resolution processes by its customers.

- Areas Needing Improvement: The survey suggests that specific aspects of issue resolution, particularly customer support availability and responsiveness, require improvement. This indicates that customers may face challenges in reaching support when needed and receiving timely responses.

Derived Source Insights:

The source insights support the survey data findings and emphasize the importance of effective issue resolution in the telecom industry:

- Customer Satisfaction: underlines that effective issue resolution is crucial for customer satisfaction. Customers who have their problems resolved quickly and efficiently are more likely to remain loyal and satisfied with the service provider.
- Well-Trained Customer Support: The secondary source highlights the significance of well-trained customer support teams. Support agents should be equipped with the knowledge, skills, and resources to effectively address customer issues.

4.5. Evaluate Network Coverage's Effect on Switching: Network Coverage Satisfaction

Network Coverage Satisfaction:

The survey emphasizes the critical nature of customer satisfaction with network coverage and notes the existence of geographical variations. However, it lacks specific satisfaction ratings or detailed insights regarding these variations. The existing data complements this by underlining that network coverage satisfaction is fundamental to telecom services, affecting customer experience significantly. It further explores satisfaction ratings, quality, and reliability of coverage, differences between urban and rural areas, competitor comparisons, the necessity of infrastructure investment, and the importance of collecting customer feedback.

To gain a more comprehensive understanding of the importance of network coverage satisfaction in the telecom industry, let's consider insights from an-other recent studies as source:
- Customer Experience: The existing source emphasizes that customer satisfaction with network coverage is a fundamental aspect of telecom services. Network coverage is what enables customers to make calls, use data, and access various services. When network coverage is inconsistent or unreliable, it can lead to customer dissatisfaction.

- Satisfaction Ratings: it's important to recognize that customer satisfaction can vary based on location. Urban areas might have stronger coverage and therefore higher satisfaction, while rural or remote areas might experience weaker coverage and lower satisfaction.

- Quality and Reliability: Network coverage includes not only the extent of coverage but also the quality and reliability of the network. Customers expect a network that provides consistent service, especially for calls and data. Any issues with call drops, slow data speeds, or dead zones can result in lower satisfaction.

- Urban vs. Rural: Satisfaction with network coverage often differs between urban and rural areas. In urban areas, the network infrastructure is typically more robust, resulting in better

coverage and higher satisfaction. In contrast, rural areas may have more limited coverage, which can lead to lower satisfaction.

- Competitor Comparison: Ethio-Telecom should compare its network coverage satisfaction with that of competitors, especially in areas where it operates. Understanding how Ethio-Telecom's coverage stacks up against rivals can inform improvement strategies and competitive positioning.

-Investment in Infrastructure: Expanding and improving network coverage often requires significant investment in infrastructure. Ethio-Telecom may need to assess the feasibility and return on investment (ROI) of such investments. It's a strategic decision to balance the cost of infrastructure development with the potential increase in customer satisfaction and retention.

- Customer Feedback: Collecting customer feedback related to network coverage can provide insights into specific issues. Ethio-Telecom should address these issues systematically to improve satisfaction and reliability.

4.6 Investigate Customer Experience and Loyalty: User-Friendliness and Customer Support Satisfaction

4.6.1 User-Friendliness:

The survey source reveals that customers perceive Ethio-Telecom's services as moderately user-friendly, with an average rating of 3.2. It identifies areas for improvement, particularly in app and website design and the overall customer experience. The derived source adds that user-friendliness is a key competitive advantage in the telecom industry, emphasizing its impact on customer satisfaction and loyalty.

- Moderate User-Friendliness: The survey indicates that customers perceive Ethio-Telecom's services as moderately user-friendly, with an average user rating of 3.2. This rating suggests that

while some customers find the services reasonably user-friendly, there is significant room for improvement.

- Specific Areas for Improvement: The survey identifies areas where improvements are needed, particularly in app and website design and the overall customer experience. However, specific details regarding the customer feedback and their suggestions for enhancement are not provided in this primary source.

The derived source information complements the survey data by providing additional insights into the significance of user-friendliness in the telecom industry:

- Competitive Advantage: The underscores that user-friendliness is a key competitive advantage in the telecom industry. Services that are easy to use and navigate enhance the overall customer experience. This can lead to higher customer satisfaction and greater loyalty.

4.6.2 Customer Support Satisfaction

The survey emphasizes the critical importance of customer support satisfaction without providing specific ratings. The secondary source further highlights that customer support is a crucial interaction point, emphasizing factors such as responsiveness, communication channels, problem resolution, wait times, effectiveness of solutions, quality of interaction, and the importance of customer feedback.

Primary Source Findings:

The survey data underlines the critical importance of customer support satisfaction and emphasizes various factors that directly impact customer retention and loyalty. However, the primary source doesn't provide specific satisfaction ratings or detailed insights regarding customer experiences with Ethio-Telecom's customer support.

To gain a deeper understanding of the significance of customer support satisfaction and best practices in the telecom industry, let's consider insights from a derived source:

- Crucial Customer Interaction: The other source underscores that customer support is a pivotal interaction point for customers. It's where they seek assistance, resolve issues, and form lasting impressions of the company's service quality. A positive customer support experience can significantly enhance customer satisfaction and loyalty.

- Service Responsiveness: An essential aspect of customer support satisfaction is the responsiveness of the support team. Customers value prompt and efficient responses to their inquiries and concerns. Reducing response times and addressing customer inquiries swiftly can positively influence satisfaction.

- Communication Channels: Customer support can be provided through various communication channels, including phone, chat, email, and in-person service centers. It's crucial to understand which channels customers prefer and their satisfaction with those channels. Tailoring support to customers' preferred communication methods can improve satisfaction.

- Problem Resolution: The ability of customer support to successfully resolve customer problems and issues is crucial for satisfaction. Customers expect not only quick responses but also effective solutions. This is where the quality of service can significantly impact loyalty.

- Wait Times: The derived source highlights that long wait times to reach a customer support representative can lead to customer frustration and dissatisfaction. Managing and reducing wait times is crucial in enhancing satisfaction with customer support.

- Effectiveness of Solutions: Customer support should not only respond quickly but also provide effective solutions. A fast response that doesn't resolve the customer's issue is unlikely to satisfy them. Effective issue resolution is key to maintaining loyalty.

- Quality of Interaction: The secondary source emphasizes the importance of the quality of interaction with customer support agents. This includes professionalism, courtesy, knowledge, and the overall experience. Each interaction should leave the customer feeling valued and their issue addressed.

- Customer Feedback: Collecting and analyzing customer feedback related to their interactions with customer support is essential. Feedback can provide insights into areas for improvement and highlight common customer pain points.

4.6.3 Recommend Strategies for Customer Retention: Past Switching Experience and Participation in Loyalty Programs

Past Switching Experience: Primary and Secondary Source Insights:

The survey indicates that around 9% of respondents switched from Ethio-Telecom, primarily due to pricing and customer service concerns. The derived source underscores the importance of historical churn rates, signaling issues in pricing competitiveness and customer service.

Survey Source Findings:
The data collected from customer responses provides insights into respondents' past switching experiences and the reasons behind switching from Ethio-Telecom:

- Historical Churn Rate: According to the primary data, approximately 9% of respondents have previously switched from Ethio-Telecom to another telecom provider. This historical churn rate indicates that customer attrition is not a recent issue and highlights the existence of long-standing problems.
- Pricing Concerns: Pricing was identified as one of the common reasons for past switching experiences. Customers perceived Ethio-Telecom's services as overpriced compared to what competitors offered.
- Dissatisfaction with Customer Service: Another common reason cited for past switching was dissatisfaction with customer service. This indicates that customer service quality and responsiveness are significant factors influencing customer loyalty.
Derived Source Insights:
The source insights complement the primary data findings and provide a broader perspective on the implications of historical customer switching:
- Historical Churn Indicates Issues: The secondary source emphasizes that historical churn rates indicate the existence of issues that need attention. It highlights that pricing competitiveness and customer service quality are critical areas where improvements may be necessary.

Participation in Loyalty Programs:

The survey highlights the importance of loyalty programs but does not specify participation rates. The derived source emphasizes that effective loyalty programs incentivize customer loyalty and suggests that customer feedback should inform program enhancements.

The survey Findings:

The survey data provides information about the existence and importance of loyalty programs it emphasizes the significance of loyalty programs for customer retention and loyalty.

Derived Source Insights:

insights add depth to the understanding of loyalty programs and their importance in the telecom industry:

- Incentivizing Customer Loyalty: loyalty programs are designed to incentivize and reward customer loyalty. These programs often offer exclusive benefits, discounts, or rewards to encourage continued use of the telecom provider's services.

- Customer Feedback and Program Enhancements: It emphasizes the importance of collecting customer feedback to inform enhancements to loyalty programs. This feedback is valuable for tailoring programs to match the preferences and needs of different customer segments and ensuring they continue to deliver value to customers.

CHAPTER 5

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The comprehensive analysis of factors influencing customer switching behavior sheds light on Ethio-Telecom's current standing in the market. Despite a moderate overall satisfaction rating of 3.6 out of 5, the survey data underscores the existence of areas demanding improvement. Customer feedback specifically points to concerns regarding pricing structures, service quality, and disruptions in network connectivity.

The primary data underscores the pivotal role of customer satisfaction as a driving force behind loyalty and positive recommendations. It emphasizes the perpetual need for enhancements to secure sustained customer allegiance, with content customers proving instrumental not only in retention but also in expanding the customer base through positive referrals.

However, the landscape is not without its challenges. Service-related issues, with network interruptions at the forefront (reported by 23% of respondents), pose substantial hurdles. Qualitative feedback further elucidates problems such as subpar internet quality, billing inaccuracies, and discontent with customer support services.

The contemplation of a potential switch by 45% of respondent's places Ethio-Telecom in a precarious position, necessitating strategic initiatives to curtail customer churn. This underscores the urgency of addressing pricing and service quality concerns to fortify customer loyalty and satisfaction.

The derived insights contribute a nuanced understanding of pricing dynamics within the telecom industry. Pricing alterations emerge as a pivotal factor influencing customer decisions, necessitating transparent communication, competitor analysis, and a delicate balance between pricing adjustments and service quality enhancements.

Affordability perception surfaces as a key determinant in customer decisions, aligning with primary data indicating its impact on customer choices. The derived source reinforces the importance of harmonizing pricing strategies with market positioning, gauging customer sensitivity to price changes, and actively seeking customer feedback to accurately assess affordability perception.

Service Quality Assessment: Customer Support and Issue Resolution

The scrutiny of service quality, particularly in terms of customer support satisfaction and issue resolution, elucidates a nuanced picture. While the moderate overall satisfaction rating suggests a reasonable level of contentment, the neutral average rating of 3.1 for issue resolution indicates specific areas demanding attention. Customer support satisfaction proves to be pivotal, emphasizing the significance of responsiveness, effective problem resolution, and the overall quality of customer interactions. The findings highlight the imperative to enhance customer support availability and responsiveness.

Network Coverage Evaluation: Geographic Disparities and Quality Assurance

The evaluation of network coverage satisfaction unveils its pivotal role in shaping the customer experience. While the survey accentuates the importance of customer satisfaction with network coverage, challenges arise from geographical variations and a lack of detailed insights. The imperative to conduct a detailed geographical analysis becomes apparent, along with a concerted effort to improve not just the extent but also the quality and reliability of the network. Strategies must consider the unique needs of urban and rural areas, ensuring consistent and reliable service across diverse locations. Continuous competitor comparisons and infrastructure investments are recommended to maintain a competitive edge.

Customer Experience and Loyalty: User-Friendliness and Participation in Loyalty Programs

The investigation into user-friendliness and customer support satisfaction reveals a moderately positive perception, tempered by specific areas requiring improvement, notably in app and

website design. User-friendliness is identified as a key competitive advantage, emphasizing the need to enhance overall customer experience. Additionally, customer support satisfaction remains a critical factor, underscoring the importance of responsiveness, effective problem resolution, and positive customer interactions. Recommendations include targeted enhancements based on customer feedback and a systematic approach to continuous improvement.

The examination of past switching experiences, highlighting a historical churn rate of approximately 9%, signals enduring challenges related to pricing and customer service. Urgent interventions are necessary to address historical issues, with a strategic focus on competitive pricing, enhanced customer service quality, and optimized loyalty programs based on customer feedback. Continuous feedback-driven improvements are vital to establishing and maintaining customer loyalty in this dynamic and competitive telecom landscape.

5.2 Comprehensive Recommendations:

The thorough examination of factors influencing customer behavior positions Ethio-Telecom at a moderate satisfaction level, rated at 3.6 out of 5. While customers exhibit contentment, discerning insights reveal critical areas demanding immediate attention: pricing structures, service quality, and network stability.

Service Quality Enhancement:
1. Swiftly address network interruptions.
2. Improve internet speed and reliability.
3. Efficiently resolve billing errors.
4. Strengthen customer support responsiveness, focusing on reducing response times.

Transparent Communication Strategies:
1. Openly communicate service issues.
2. Provide regular updates during network interruptions.
3. Clearly communicate any pricing adjustments to manage customer expectations.

Strategic Pricing Approaches:

1. Conduct a comprehensive analysis of competitors' offerings.

2. Evaluate pricing adjustments strategically, balancing service improvements.

3. Align pricing with market positioning, ensuring it meets customer expectations.

Feedback-Driven Customer Engagement:

1. Establish a systematic feedback loop for service issues and pricing changes.

2. Actively collect and analyze customer feedback regarding affordability perception.

3. Develop targeted retention strategies based on customer feedback, focusing on loyalty programs and special offers.

Service Quality and Network Coverage Strategies:

1. Enhance customer support capabilities, emphasizing responsiveness and effective problem resolution.

2. Conduct a detailed geographical analysis of network coverage, focusing on areas with lower satisfaction.

3. Improve network coverage quality and reliability, addressing specific issues like call drops and slow data speeds.

4. Tailor network coverage strategies for both urban and rural areas, maintaining consistency in service quality.

5. Regularly compare network coverage satisfaction with competitors and invest strategically in infrastructure development.

User-Friendliness and Customer Support Excellence:

1. Address specific user feedback regarding app and website design.

2. Leverage user-friendliness as a competitive advantage, focusing on enhancing overall customer experience.

3. Continuously enhance customer support responsiveness, problem resolution, and the overall quality of interaction based on feedback.

Customer Retention Strategies:

1. Conduct a root cause analysis of historical churn, focusing on pricing competitiveness and customer service.

2. Implement competitive pricing strategies aligned with customer perceptions and competitor comparisons.

3. Continuously enhance customer service quality to prevent future switching.

4. Evaluate and optimize loyalty programs based on customer feedback, ensuring meaningful benefits.

5. Establish a feedback-driven approach for continuous improvements in pricing strategies, customer service, and loyalty programs.

Incorporating these comprehensive recommendations will position Ethio-Telecom to address current challenges, enhance customer satisfaction, and fortify its competitive stance in the dynamic telecom landscape. A commitment to continuous monitoring, feedback integration, and strategic adjustments will be pivotal for ensuring sustained success and customer loyalty.

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APPENDIX

survey questionnaire

<div align="center">AMERICAN COLLEGE OF TECHNOLOGY</div>

Masters of Business Administration Research Questionnaire

 Dear Respondent,

Appreciate your participation in our study, "Analyzing Customer Switching Behavior in the Telecommunications Industry: A Case Study of Ethio-Telecom." Your valuable input will contribute to the accuracy and quality of our research.   Please be assured that the information you provide is solely for academic purposes and will be handled with the utmost confidentiality.   Thank you for sparing a few minutes of your time to assist us in this endeavor.

Girma

+251910366924

General Instructions: For your free and genuine responses, please tick (√) marks your choice. No need of writing your name.

Demographic Information

1.1. Gender:

- Male

- Female

1.2. Age:

- Under 18

- 18-24

- 25-34

- 35-44

- 45-54

- 55 and above

1.4. Occupation:

- Student

- Employed

- Self-employed

- Unemployed

- Other (please specify)

Customer Experience and Satisfaction

3.1. On a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied, please rate your overall satisfaction with Ethio-Telecom's services.

3.2. How would you rate the user-friendliness of Ethio-Telecom's services?

- Very User-Friendly

- User-Friendly

- Neutral

- Not User-Friendly

- Very Not User-Friendly

3.3. Have you experienced any problems with Ethio-Telecom's services in the past six months? (Yes/No)

  If yes, please describe the problem(s):

3.4. How effective is Ethio-Telecom in resolving customer issues or complaints?

- Very Effective

- Effective

- Neutral

- Ineffective

- Very Ineffective

Customer Loyalty and Switching Behavior

4.1. Are you currently considering switching from Ethio-Telecom to another telecom provider? (Yes/No)

  If yes, please briefly explain your reasons for considering a switch:

4.2. Have you switched from Ethio-Telecom to another telecom provider in the past? (Yes/No)

  If yes, please provide details about your previous switch, including the reason(s) for switching:

4.3. Do you participate in any loyalty programs offered by Ethio-Telecom? (Yes/No)

  If yes, please describe your experience with these programs:

Pricing and Affordability

5.1. How do you rate Ethio-Telecom's pricing compared to other telecom providers in Ethiopia?
- Much More Affordable
- Slightly More Affordable
- About the Same
- Slightly More Expensive
- Much More Expensive

5.2. Do you feel that the cost of Ethio-Telecom's services is affordable for you?
- Very Affordable
- Affordable
- Neutral
- Unaffordable
- Very Unaffordable

5.3. Have changes in Ethio-Telecom's pricing ever influenced your decision to switch or consider switching? (Yes/No)

   If yes, please describe how pricing changes affected your decision:

From price or service quality or experience in network coverage

Network Coverage

6.1. How satisfied are you with the network coverage provided by Ethio-Telecom in your area?
- Very Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very Dissatisfied

6.2. Have you experienced network issues or dropped calls with Ethio-Telecom's services in the past six months? (Yes/No)

   If yes, please describe the issues:

Open-Ended Questions (Qualitative Insights)

7.1. Please share your thoughts and experiences regarding the quality of customer service provided by Ethio-Telecom.

7.2. What factors, in your opinion, play the most significant role in customers switching from Ethio-Telecom to other providers?

7.3. Is there anything else you would like to add about your experience with Ethio-Telecom or your thoughts on customer switching behavior?

Usage Patterns

8.2. Which Ethio-Telecom services do you use the most frequently? (Select all that apply)
- Voice Calls
- Text Messaging
- Mobile Data
- Fixed-Line Services
- Other (please specify)

Competitor Comparison

9.1. Have you used services from other telecom providers in Ethiopia? (Yes/No)

  If yes, please briefly describe your experiences with these providers.

Recommendations and Improvements

10.1. What improvements or changes would you suggest to Ethio-Telecom to enhance its services and customer satisfaction?

10.2. If you were in charge of Ethio-Telecom, what strategies would you implement to reduce customer switching and improve loyalty?

Future Intentions

11.1. How likely are you to continue using Ethio-Telecom's services in the next year?
- Very Likely
- Likely
- Neutral

- Unlikely

- Very Unlikely

11.2. Are you open to trying new services or features offered by Ethio-Telecom in the future? (Yes/No)

  If yes, please specify the types of services or features you'd be interested in.

Technological Preferences

15.1. Are you more inclined to switch to a telecom provider that offers the latest technological advancements, such as 5G services and IoT connectivity? (Yes/No)

Media and Information Sources

16.1. Where do you typically seek information about telecom services and promotions? (Select all that apply)
- Ethio-Telecom's website
- Social media
- Recommendations from friends or family
- TV advertisements
- Radio advertisements
- Online forums or communities
- Other (please specify)

Data Usage and Preferences

18.1. How do you primarily use mobile data? (Select all that apply)
- Browsing the internet

- Streaming videos or music

- Social media usage

- Email and messaging

- Mobile gaming

- Other (please specify)

18.2. Do you feel that the data plans offered by Ethio-Telecom meet your data usage needs? (Yes/No)

  If no, please describe your data usage needs and any specific improvements you'd like to see.

Additional Comments

20.1. Is there anything else you would like to add or any specific experiences or concerns related to Ethio-Telecom's services that you haven't had the opportunity to mention?

21.2. Have you ever considered switching to one of these other telecom providers? (Yes/No)

  If yes, please explain your reasons for considering a switch.

Customer Support Channels

22.1. How do you typically contact Ethio-Telecom's customer support when you have an issue or question? (Select all that apply)

- Phone (call)

- Email

- In-person at a service center

- Online chat

- Mobile app support

- Social media

- Other (please specify)

22.2. On a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied, please rate your overall experience with Ethio-Telecom's customer support.

23.1. Looking ahead, what new or improved services do you believe Ethio-Telecom should prioritize to meet your future telecom needs?