

Full Length Research Paper

The role of communication in promoting relationship marketing within the cellular industry in South Africa

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Marketing relationship uses improved information technology to regularly communicate with the customers of a firm and base their product/service offerings on the customer's buying behaviour. Computer linkages, advertising, personal sales, sales promotion, sponsorships, publicity, special events and exhibitions aid communication in creating a relationship between buyer and seller. Whilst research has been conducted on the general aspects of relationship marketing, there appears to be no significant study on the role of communication in promoting relationship marketing in the cellular industry. This paper, therefore, examines the way in which relationship marketing is currently being employed in the cellular industry and assesses how improved communication can result in the effective application thereof. The findings of this study indicate that customers must understand and be informed of the future direction that their service providers will take. Since service is the nerve centre of any organization, service providers must improve on their service to customers by conducting regular satisfaction surveys to get feedback from customers and monitor their attitude. The fulfilment of these recommendations will promote and enhance relationship marketing in the cellular industry.

Key words: Marketing relationship, communication, cellular industry, service provider.

INTRODUCTION

South Africa is rather unique in its motivation for embracing cellular technology. Although there is an obvious need for cell phones to cater for the ever-changing needs of business, cellular means a lot more to many South Africans than simply being connected. With the high crime figures in the country, the safety that cell phones provide has become a major motivating factor behind the decision to purchase a cell phone. The cellular industry has meant that an emergency number is a mere click away. Many have described this connectivity as the most important reason in factoring their decision to own a cell phone (<http://cooltech.iafrica.com/cellular/259611.htm>).

Cell phone customers frequently abandon a service provider since they are easily lured by competing packages and no-string relationships except for the contract period of two years with contract customers. Therefore, it is difficult to determine the lifetime value of customers, which is essential for relationship marketing. Relationship marketing is a shift away from market share to customer share. As such, the sale should be viewed as the beginning of an ongoing relationship. Cellular telephone companies should strive to solidify relationships by

transforming indifferent customers into loyal advocates of the company by using suitable ongoing communication.

Kotler and Keller (2009: 60) explain that a key goal of marketing is to develop deep, enduring relationships with people and organisations that could directly or indirectly affect the success of the firm's marketing activities. Thus, relationship marketing aims to build mutually satisfying long-term relationships with key constituents in order to earn and retain their business.

Moutinho and Southern (2010: 181) define relationship marketing as the sum of marketing efforts by a manufacturer, producer or supplier aimed at the establishment, development or maintenance of successful exchanges with a customer over time. Relationship marketing is characterised by the frequency and intensity of the exchanges between customers and sellers. As these exchanges become more frequent and more intense, the strength of the relationship between buyers and sellers improves (Fill, 2009:199). Evans et al. (2004: 210) explain the key elements of relationship marketing:

(i) To satisfy the objectives and enhance the experience

of the parties involved.

- (ii) To focus on key customers and other parties.
- (iii) To identify, specify, initiate, maintain and dissolve relationships.
- (iv) Mutual exchange, fulfilment of promise and adherence to relationship norms.

Brink and Berndt (2004: 7) observed the following dimensions of relationship marketing, in that it seeks to create new value for customers and then share it with them by recognising the key role that individual customers have as purchasers. In defining the value they wish to achieve, relationship marketers design and align processes, communication, technology and people in support of customer value. Hence, relationship marketing represents continuous co-operative effort between buyers and sellers that recognize the value of customers' lifetime purchasing, and seeks to build a chain of relationships within the organization and create the value customers want. Further, one of the main principles of relationship marketing is to identify the most profitable customers so that the business can focus appropriately on customers' strategy.

According to Moutinho and Southern (2010: 193), the benefits of relationship marketing are usually in one or more of these areas:

- (i) Improving customer retention and loyalty – customers stay longer, buy more and more often and increase the long-term value.
- (ii) Raising customer profitability, not just because each customer buys more, but because of lowering costs of recruiting customers.
- (iii) Reducing cost of sales, as existing customers are usually more responsive.

For customers in the cellular industry, relationship marketing can be very satisfying since:

- (a) They may feel a familiarity with the service provider beyond a mere purchase.
- (b) They may feel an association with the organisation and are not just anonymous customers.
- (c) They often receive special treatment and extra pampering by the service provider.
- (d) They are likely to receive timely and relevant communications of offers that would be of interest to them from their service providers.

Integrated marketing communications (IMC) is defined by Shimp (2010: 10) as a communication process that entails the planning, creation, integration and implementation of diverse forms of marcom (advertisements, sales promotions, publicity releases, events, etc.) that are delivered over time to a brand's targeted customers and prospects. Plessis et al. (2008: 10) explain how Integrated Marketing Communications (IMC) centres around the

integration of the various marketing communication elements to provide added value to customers and increase positive relationships. Clow and Baack (2010: 32) define IMC as the coordination and integration of all marketing communication tools, avenues and sources within a company into a seamless program that maximises the impact on customers and other stakeholders at a minimal cost.

According to Fill (2009: 16), marketing communications is a management process through which an organisation engages with its various audiences. Through an understanding of the audience's preferred communication environments, organisations seek to develop and present messages for its identified stakeholder groups, before evaluating and acting upon any responses. By conveying messages that are of significant value, audiences are encouraged to offer attitudinal, emotional and behavioural responses. The goal of IMC is ultimately to influence or directly affect the behaviour of the targeted audience. It considers all touch points or sources of contact that a customer/prospect has with the brand as potential delivery channels for messages and makes use of all communication methods that are relevant to customers/prospects. IMC requires that all communication media deliver a consistent message. The IMC process further necessitates that the customer/prospect is the starting point for determining the types of messages and media that will serve best to inform, persuade and induce action (Shimp, 2010: 10).

The immense changes in the approach to marketing over the last decade have meant that marketers have had to learn to adapt and respond to their new environment in different ways. It is an environment in which customers are better able to evaluate the offers being made to them and to decide more independently how to satisfy their requirements. Customers are far more selective than they were and competition will ensure that they are provided with precisely what they want and when they want it. This has led to significant changes in the way marketers promote their product offerings to customers.

Although the communication process can be simple, it has nevertheless, become very complex. Its success depends on factors such as the nature and complexity of the message, the audience's interpretation of the message, the environment in which communication takes place, the level of interference, receiver's attitudes and perceptions and the medium used to transmit the message.

Timm (2011: 4) states that relationships with customers can evolve into rich and fulfilling partnerships. These customer partnerships arise from certain attitudes or orientations, namely: generosity and trust, so that people involved find pleasure in extending the relationship beyond just meeting a need or requirement. Generally, partnerships require some joint purpose and are marked by truth, candor and straight talk mixed with compassion

Table 1. Biographical data of respondents.

Total number of cellular phone users = 251	Percentage
Age	
18 to 25	27
26 to 35	29
36 to 45	25
46 to 55	10
Above 55	5
Gender	
Male	38
Female	56
Race	
Black	25
White	14
Asian	50
Colored	5
Other	0.4

and care.

Research problem statement

Whilst research had been conducted on the general aspects of relationship marketing, there appeared to be no significant study on how the role of communication can promote relationship marketing in the cellular industry. It was the intention of this study to examine the way in which relationship marketing was currently being employed in the cellular industry and assessing how improved communication could result in the effective application thereof.

METHODOLOGY

This was a quantitative cross-sectional study. The questionnaire method was employed using simple random sampling where each element in the population had a known and equal probability of being selected. According to Malhotra (2010: 370-2), a population is the aggregate of all the elements that share some common set of characteristics, and that comprise the universe for the purposes of the marketing research problem. The target population is the collection or objects that possess the information sought by the researcher and about which inferences are to be made. In this study, the target population consisted of existing cellular phone users in South Africa. From an intended sample of 300 cellular phone users, 251 responses were received reflecting an overall response rate of 83.7%.

The study was perceived to be important in bridging the gaps identified in the literature study and providing guidelines for the relationship marketing component of cellular phone marketing in South Africa.

RESULTS AND DISCUSSION

Some of the percentages do not total a 100%, due to missing answers on the questionnaires. From the research, the following conclusions, based on the research findings of the study were drawn. Table 1 indicated that 56% of cellular phone users are female. The reasons for this are that cell phones serve as personal communication tools, for example, mums can check in on their children/family. Cell phones can be used for safety, since one can call for help immediately during emergencies and breakdowns. They are also used for work purposes, especially in the case of flexible work roles and out-of-office work. Cell phones provide immediate accessibility since users can be easily reached, given the various responsibilities that they have.

The majority of contract subscribers (64%) fell within the age group of 26 to 55 years, since it is believed that they earn a steady income and can afford a contract, they have credit references that are essential for service providers to assess their financial risk profiles and they have cellular phones primarily for work-related issues.

Respondents regretting their choice of service provider

The majority of respondents (85%) did not regret their choice of service provider as indicated by Figure 1. This could be attributed to the fact that service providers tailor made packages for customers. The three service providers in South Africa provided variety and choice for cellular phone users. As a result, customers could make



Figure 1. Choice of service provider.

Table 2. Choice of an alternate service provider.

Total number of cellular phone users = 251	Percentage
Cell C	17
MTN	28
Vodacom	41

informed choices that fulfilled their specific needs and requirements. When this study was conducted, only three service providers were in operation in South Africa. However, Virgin Mobile was not a part of the cellular industry in South Africa.

Opportunity to choose an alternate service provider

Table 2 illustrated that 41% of the customers chose Vodacom alternatively to their current service provider. This is in line with Vodacom’s position as South Africa’s leading cellular network. Respondents’ reasons for choosing Vodacom in this study are as follows: Vodacom is a winning, respected, caring company and Vodacom believes that it can enhance people’s lives and empower them by making it possible for all people to have access to mobile telecommunications. Respondents reasons for choosing an alternate service provider were as follows: 44% was due to better rates, 26% was due efficient service, 28% was due to better communication and 3% indicated other reasons.

Change of service provider in the last three years

18% of respondents indicated that they changed service provider, while 81% did not. Reasons for changing varied

from, inefficient service (21%), high cost (42%) and poor communication (17%) to other reasons (21%).

Cellular phone contracts

According to Figure 2, 36% of cellular phone users were given a sufficient explanation of their contract. This reflected well on the staff of the service providers. It showed that they were knowledgeable and well trained. Only 6% of customers got no explanation. With regards to their cellular phone contract that they had entered into, respondents indicated the following: 14% did not read the contract at all, 53% browsed through it, 18% read it thoroughly, whilst 16% understood it fully. Fifty seven percent of the respondents indicated that they understood the terms of their contract, 6% did not understand, while 18% were not sure. Their reasons for not understanding the terms of their contract were as follows: fine print is illegible, too much legal jargon, and insufficient time to read through the contract.

Service provider staff

A reasonable number of respondents (49.8%) indicated that the staff of their service provider always responds to their requests and queries as shown in Figure 3. This illustrated the importance of well trained staff in creating

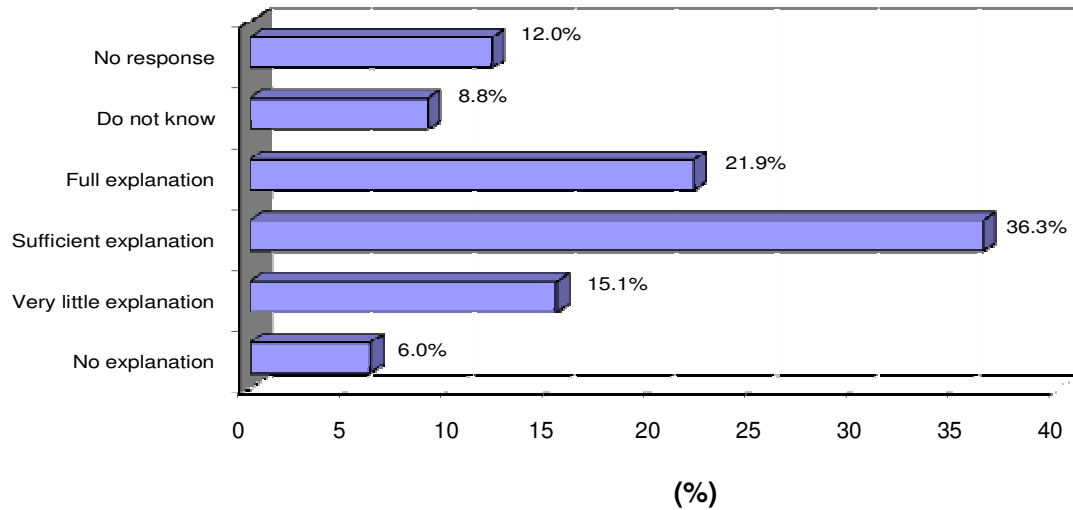


Figure 2. Explanation of contract.

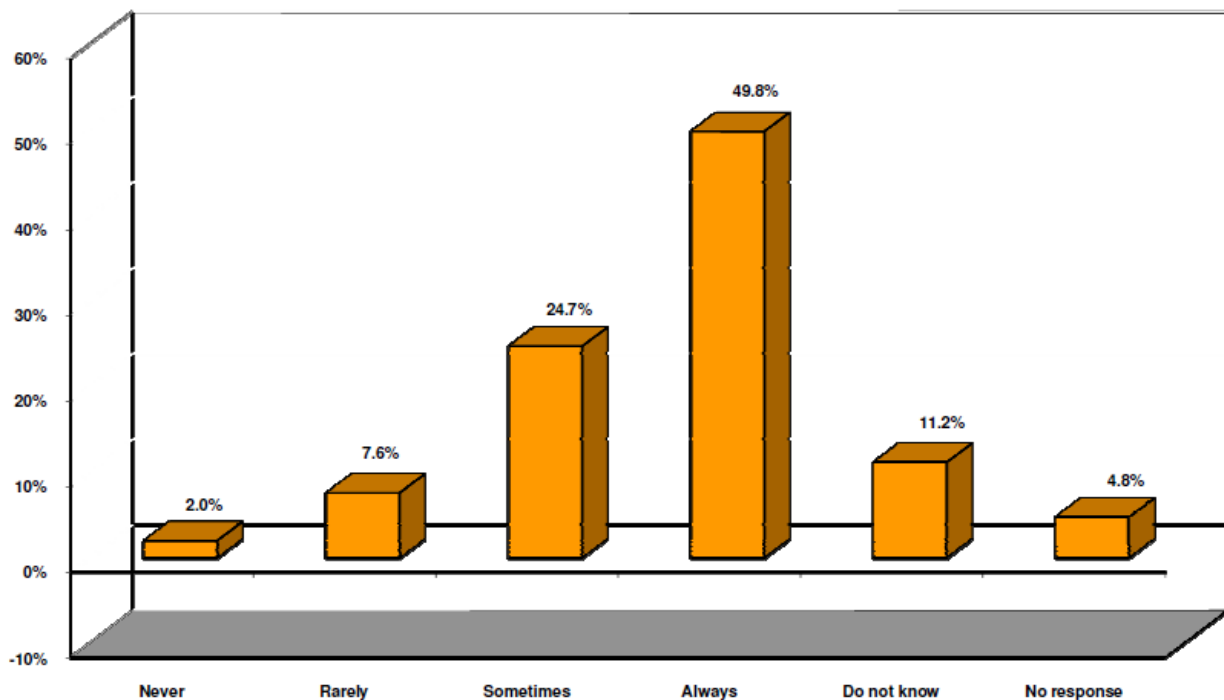


Figure 3. Staff response to requests and queries of customers.

and maintaining relationships with customers. Since staff created the first impression of the organization, it is vital that they were well trained and had the necessary communication skills to deal with customers in an effective and efficient manner.

46% of the respondents indicated that their service provider staff had considerable professional technical knowledge to advise them, 33% indicated limited knowledge, 6% indicated extensive knowledge and 2% indicated no knowledge. 40% of the respondents stated

that their service provider staff usually gave them individual attention, 29% stated that they always got individual attention, 7% stated that they seldom got attention and 1% stated that they got no attention.

Staff needed to be motivated, thus the processes needed to be simplified and streamlined in order for the customers to be directed. The process needs to flow and the customers' needs must be kept in focus at all times. How the customers are greeted, how the product/service is presented, how the experience is managed, how the

Table 3. Methods of communication preferred by respondents.

Preferred method of communication	Percentage
Face-to face	18
SMS	43
E-mail	16
Post	19
Others	3

Table 4. Appeal of service provider promotional materials by the various race groups.

Appeal of service provider promotional materials	Black n=38 (%)	White n=34 (%)	Asian n=151(%)	Colored n=13 (%)	Others n=1(%)
Not at all	16	28	56	0	0
To some extent	14	15	67	3	0
To a considerable extent	13	9	64	12	2
To a great extent	25	13	59	3	0
Others	30	20	40	10	0

Table 5. Respondents' indications of how service providers can improve their services.

Service	Percentage
Improve communication	18
Decrease costs	42
Provide packages to suit individual needs	25
More efficient service	15

experience is enhanced with the little touches and finally how the experience ends (the vital final touch) all contribute to the customers' judgment of the service provider.

Communication by the service provider

According to Table 3, 43% of the respondents indicated that 'SMS' was their preferred method of communication, 19% wanted communication via post, 18% preferred face-to-face and 16% opted for e-mail. In other results from this study, 75 and 79% of males and females, respectively, reported that their service provider communicated with them via 'SMS'. This confirmed the results which revealed that 'SMS' is the preferred method used by service providers for communication with their customers, although some communicated via e-mail as well. Table 4 pointed out that 67% of Asian people found the promotional materials appealing to some extent and 64% to a considerable extent, while 56% stated that it was not appealing to them at all.

Recommendation of the service provider

66% of the cellular phone users would recommend their

service provider to their friends or relatives as indicated by Figure 4. This could be because they were very satisfied with the service experience and had formed a relationship with their service provider.

Improvement of services rendered by the service provider

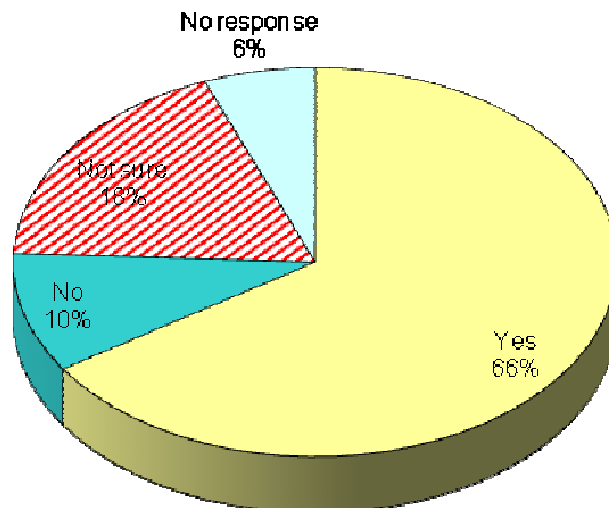
According to Table 5, 42% of the respondents indicated that their service provider could improve services to them by decreasing costs, 25% indicated they should provide packages to suit individual needs, 18% suggested improved communication, while 15% suggested more efficient service provision. Both male and female customers (56%) agreed that their service provider created value for them to some extent as indicated in Table 6, whereas 12% male and 20% female indicated that it was to a considerable extent, while 11% male and 4% female indicated that it was to a great extent.

Conclusion

The majority of the cellular phone users were satisfied with the communication efforts of their service provider, while the majority of respondents indicated that their

Table 6. Value created by the service provider in terms of gender.

Value created by the service provider	Male n=94 (%)	Female n=141 (%)
Not at all	15	7
To some extent	56	56
To a considerable extent	12	20
To a great extent	11	4
Do not know	6	12

**Figure 4.** Recommendation of service provider.

service provider's promotional materials were appealing and that their service provider communicated with them regularly. Results from the study showed that the communication tools used by the service providers were effective in promoting marketing relationship.

RECOMMENDATIONS

The following recommendations with regard to relationship marketing and communication were suggested:

- (i) It is important that customers understand the future direction that their service provider will take. Therefore, customers must be informed of the long- and medium-term plans, new developments and any fundamental changes that are going to take place.
- (ii) Service providers need to improve their communication process by communicating with customers on an on-going basis about information, policies and updates on technology and service providers need to make greater efforts to understand the specific needs of customers. As such, they can achieve this through intensive marketing research.
- (iii) Service providers should conduct regular satisfaction surveys to get feedback from customers and monitor their

attitudes towards them and their performance.

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