

THE IMPACT OF SALES PROMOTIONAL PACKAGES ON CUSTOMER SWITCH AND RETENTION: CASE OF MTN AND VODAFONE GHANA LTD

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ABSTRACT

The competition within the telecommunication sector is growing day by day in Ghana and therefore necessitates the telecom operators to be more proficient in their tactical approach to meet the growing demands of customers. Effective sales promotional packages are believed to be key in the approach of winning and maintaining customers. This paper examines the impact of promotional packages on customer switch and retention in the telecommunication industry in Ghana. Data were collected using questionnaires from 150 customers of two giants operators, Mobile Telecommunication Network (MTN, hereafter) and Vodafone Ghana Ltd. Descriptive statistics and multiple regression and correlation were employed to examine the relationship between the independent and dependent variables by using SPSS analytical tool. The result shows that there is positive and significant relationship between promotional packages, customer switch and customer retention. The study also discloses that promotional offers as a key marketing innovation to customer retention and switch in the telecom sector. The study found that companies without effective promotional packages lose customers and therefore promotional packages were significant chief drivers of customer retention. The study recommends that telecommunication companies who desire to improve upon the level of customer retention should invest much in an attractive promotional packages in their marketing innovation segment.

Keywords: Sales Promotion, Promotional Packages, Customer Switch, Customer Retention.