

Customer service and customer loyalty in the telecommunication industry in Uganda: a case study of
Orange Uganda Limited

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Abstract

M/S Orange Uganda Limited has experienced a decline in the renewal rate for the internet services. The study set out to investigate the relationship between customer service and customer loyalty at Orange Uganda Limited (OUL). The specific objectives were to investigate the relationship between communication and customer loyalty at OUL; assess how service reliability influenced customer loyalty; to find out the extent to which service responsiveness affect customer loyalty; and to examine the moderator effect of switching cost to other networks on the relationship between customer service and customer loyalty of OUL. The study used a case study design, which was cross sectional in nature adopting both quantitative and qualitative approaches. Ninety (90) out of 110 employees representing 81.8% were randomly selected using simple random sampling and purposive sampling. Descriptive statistics were presented using frequency tables which included frequencies and percentages. In addition, Spearman correlation and coefficient of determination analysis tested the hypotheses of the study. The study established that there was a strong positive relationship between communication and customer loyalty. There was a weak positive influence of service reliability on customer loyalty whereby better service reliability was related to more customer loyalty. There was a moderate positive effect of service responsiveness on customer loyalty. Lastly, switching cost to other networks increased the effect on the relationship between communication and customer loyalty and between service reliability and customer loyalty but decreased the relationship between service responsiveness and customer loyalty. The study recommends that communication, service reliability, service responsiveness and switching cost should be made more favorable at OUL to improve customer loyalty.