

**MARKOV CHAIN ANALYSIS OF BUSINESS STRATEGY AND CUSTOMER
LOYALTY IN THE NIGERIAN TELECOMMUNICATION INDUSTRY**

**A STUDY OF TELECOM SUBSCRIBERS IN LAGOS STATE UNIVERSITY,
LAGOS. NIGERIA**

BY

FASAN JOHNSON

16PMB01346

June, 2018

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**BEING A MASTERS THESIS SUBMITTED TO THE DEPARTMENT
OF BUSINESS MANAGEMENT, COLLEGE OF BUSINESS AND
SOCIAL SCIENCES, COVENANT UNIVERSITY, OTA.**

**IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE
AWARD OF MASTERS DEGREE (MBA) IN BUSINESS
ADMINISTRATION**

JUNE, 2018

ACCEPTANCE

This is to attest that this dissertation is accepted in partial fulfilment of the requirements for the award of Master's Degree in Business Administration in the Department of Business Management, College of Business and Social Sciences, Covenant University Ota, Ogun State.

Mr. Philips John Ainokhai
Secretary, School of Postgraduate Studies

Sign & Date

Prof. Samuel Wara
Dean, School of Postgraduate Studies

Sign & Date

DECLARATION

I hereby declare that this dissertation is my own work and to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

Fasan Johnson Oluwanimilo

.....

(Researcher)

.....

Signature

Date

CERTIFICATION

It is hereby certified that this Masters dissertation written by **Fasan Johnson Oluwanimilo**, was supervised by me and submitted to the Department of Business Management, College of Business and Social Sciences, Covenant University, Ota. It has not been submitted in any other institution of higher learning.

Dr. Olaleke Ogunnaike

Supervisor

Signature & Date

Dr. Oluwole O. Iyiola

Head of Department

Signature & Date

External Examiner

Signature & Date

DEDICATION

This dissertation is dedicated to God almighty for his divine grace and mercy upon my life all through my sojourn on this earth.

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ABSTRACT

The purpose of this study is to analyze the Competitive Strategies of Telecommunication Companies in Nigeria and how it affects Customer Loyalty using Markov Chain. The Markov Chain was used to predict Consumer Switching Behaviour. Mobile telecommunication providers face a great ordeal in their quest for market share, growth and profit. In the Nigerian market space with its low switching cost and barriers, it a continuous struggle telecom firms to not only attract new customers but to retain old ones. In, there are four mobile telecom providers operating in the market and form the basis for this research, they are; MTN, Airtel, Glo, & 9mobile. Primary data was obtained through a questionnaire and residents in the vicinity if Lagos State University were targeted for the study. 200 questionnaires were self-administered by the researchers to the subscribers of all the mobile telecom providers and 180 questionnaires were returned. The questionnaires were analyzed using Markov Chain Analysis of Data, which was used to predict the switching behaviour of customers using variables such as; Price, Service Quality and Corporate Brand Image. The results identified Service Quality and Corporate Brand Image as having much effect on consumers' switching behaviour as opposed to Price which had a less impact on switching behaviour of customers. The research concluded that it is cheaper for firms to seek to retain existing customers than to acquire new ones. Though the customer acquisition cost varies and it is subjective by a number of factors, it is still a cost all the same. The study recommends that telecom firms should first seek to retain customers than to acquire, by aligning their marketing strategies to this goal, some of the saved acquisition cost can be used to improve service quality and build better corporate brand image, two concepts which the study proved made customers more

loyal.

Keywords: Competitive Strategies, Customer Loyalty, Markov Chain, Nigerian Telecom Industry, Switching Behaviour.