

EFFECT OF STAKEHOLDERS' INTIMACY ON QUALITY OF PRODUCTS AND SERVICES OF TELECOMMUNICATION FIRMS IN NIGERIA

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ABSTRACT

This paper examined the effect of stakeholders' intimacy on quality of products and services of telecommunication firms in Nigeria. The study population consists of the four major telecommunication service providers in Nigeria namely MTN, Globacom, Airtel and 9Mobile. The sample size was made up of 1200 subscribers of telecommunication products/services selected based on random and convenient sampling techniques. In order to obtain relevant data for the survey, a well-structured questionnaire was used as an instrument. A total of 1200 questionnaires were distributed and a total of 1003 were retrieved and analysed. Data analysis was carried out with the aid of structural equation model (SEM) and statistical package for social sciences (SPSS) software. The findings showed that stakeholders' intimacy has a significant effect on quality of products and services. The study recommends that telecommunication firms should ensure they offer quality products and services to promote loyalty and cordial relationships with stakeholders.

Keywords: Stakeholders, Stakeholders Intimacy, Quality of Products and Services

INTRODUCTION

Quality of products and services refers to the perception of the degree to which an organization's products and services meets stakeholder's expectations. The quality of an organization's products and services has a significant impact on stakeholders' perception of the organization thus on the overall corporate reputation of the organization. This is because the quality of a firm's product and services affects its corporate reputation, profitability, customer base among others (Alabar et al., 2017). An organization's commitment to high quality in terms of products or services is key to the kind of reputation attributed to it. Perceived quality refers to the consumer's or customer's assessment of the superiority or excellence of the products or services acquired from an organization (Ibidunni et al., 2018). The factor of service-delivery is an essential aspect of quality. In terms of definition, service quality entails "*the consumer's judgment about an entity's overall excellence or superiority*". The consistency of a company's product or service is crucial in establishing a positive reputation for a firm. Customers evaluate businesses based on the quality of their products and services as well as their ability to innovate. A high quality product/service tends to build the confidence of various stakeholders in a firm (Wong, 2010). It is also generally accepted that companies with high quality products/services often have positive reputations attributed to them. To develop a positive reputation, a business must maintain quality, productivity, innovation, social responsibility, and good relations with its

stakeholders. Customers make a distinction between their requirements for a service and their understanding of service efficiency, according to operational definitions of service quality.

Bitner (1990) described service quality as a customer's overall perception of an organization's relative inferiority/superiority in terms of service delivery. According to him, perceptions of service quality can occur at various levels within an organization, including the core service, the physical environment, and interactions with service providers (Bitner, 1990). Wang et al. (2010) asserted that the customer's perception of quality service has an effect on the perceived value of the service delivered. The relationship between the service activities, the customer's prior and post expectations, and the perceived and real quality of provided service all contribute to the success or failure of generating value. In the telecommunications industry, evidence from previous studies have shown that service providers can retain a customer when the customer perceives the service quality to be high and vice versa when the service is perceived to be low (Kim et al., 2017). Therefore, a firm's ability to retain customers, create, sustain and maintain a positive and favorable reputation is also a function of the level of quality service provided by the firm (Adjaino, 2017). Quality service is key to enhancing customer inclination to patronize the firm repeatedly, become less price sensitive, tell others about their favourable experience thus creating a major differentiation and strategic advantage that brings in new customers and increase market share as well as attract a positive reputation for the firm (Santouridis & Trivellas, 2010). Nigerian scholars such as Adeleke & Aminu (2012) indicate that service dimensions are valued more as a result of attributes such as level of development in the industry and the rate of competition experienced.

In terms of the GSM operators in Nigeria, Adeleke & Aminu (2012) opine that service quality could be measured as keeping accurate records, call drop, voice clarity, interconnectivity, performing the service at the time designated, and wider coverage, transmission/network qualities; network coverage, data or internet services. An organization's quality of service improves reputation and other outcomes. Kerr (2016) argue that when it comes to corporate reputation, the most important characteristic for consumers is an organization's ability to consistently offer high-quality products and services. Customers' views of a company's credibility, according to previous research, are influenced by the company's ongoing attempts to improve the quality of its goods and services in order to satisfy their needs and desires (Carmeli & Tishler, 2005; Fombrun & Shanley, 1990). Customers regard a positive reputation as a value signal for the inherent nature of a company's goods and services, and are willing to pay a premium for it (Roberts & Dowling, 2002). In practice, all product and service quality programs are structured to meet customer loyalty and standards. Most companies today aim to introduce product or service quality initiatives in order to enhance their current products or create new products and/or services that better meet the needs and demands of their customers. Such programs may have a significant impact on a company's image by distinguishing its goods and services in the eyes of customers and consumers (Robbins, 2017).

Lai et al. (2017) expressly stated that certain non-financial factors such as social responsibility, leadership, corporate governance as well as quality distinctions in products and services have emerged as important benchmarking components of an organization's corporate reputation. Quality is the foundation of competition and is linked to other strategic dimensions such as cost, speed, and versatility (Shamma, 2018). It is beneficial as it is highly profitable and leads to a positive corporate reputation. Through the excellent quality of products and services organizations are able to attract customers' attention, increase their customer base and create room for customer loyalty whilst boosting their overall corporate reputation (Adeniji &

Osibanjo, 2012). In reality, the quality of a company's goods and services is critical to its reputation and potential success because it reflects the amount of effort put into them. As a result, regardless of the scale or background of business, quality should become a strategic imperative if a company wants to compete in a competitive market and project a clear and optimistic corporate image (Lee & Jungbae, 2016). Furthermore, in both high-tech and low-tech sectors, quality measures in goods and services can be conducted to assist business entities in meeting financial targets by delivering higher quality products and offering better services to consumers. Better-known businesses tend to gain their prestige by providing higher-quality goods and services. When they manufacture bad goods or provide poor service, their reputations suffer.

Stakeholders' Intimacy assesses the level of affection or sentiment that telecommunication service subscribers have for its products and services. Stakeholders' intimacy is an approach of stakeholder engagement goes beyond stakeholders' interaction to measure the level of affection or sentiment that stakeholders have for a certain brand or brands (Arrizabalaga et al., 2018). This includes their opinions, perspectives or passion for such brands as represented by their interests. Stakeholder's intimacy tends to shed light on stakeholders' feelings about an organization's brand whether positive or negative. For instance, telecommunication firms may monitor and track online conversations almost in real time about how stakeholders perceive their brands, products and services (Brian et al., 2007). This in turn provides them enough opportunities to fix problems or grasp opportunities while it lasts. Telecommunication firms may visualize this as an opportunity to identify threats or challenges associated with stakeholders' interests and concerns and proffer solutions through online avenues, including social networks, discussion forums, blogs, and video-sharing sites.

Statement of Problem

The NCC (2020) indicated that poor service quality ranging from call services to internet services was a major complaint by subscribers of the four GSM operators in Nigeria comprising MTN, Globacom, Airtel and 9mobile. This has posed a serious threat to the growth, development and sustainability of these firms as it is detrimental to the firm's corporate reputation. Alabar et al. (2017) also stated that although the Nigerian telecommunications industry has become extremely competitive, one of the major problems they face is poor quality of their products and services. In their report, they stated that GSM service quality, network connectivity and coverage in Nigeria was unreliable and unsatisfactory which is detrimental to the firm's reputation. Previous studies have shown that quality of products and services is a huge determinant of an organization's reputation. Organizations that provide quality products and services tend to have a very high level of customer retention and satisfaction which has a positive influence on the perceived reputation of the organization (Shafiq et al., 2019).

LITERATURE REVIEW

Several studies have shown that stakeholder intimacy allows organizations to enhance the quality of their goods and services (Desilva, 2010; Johndrow, 2020; Hende & Schoormans, 2012). Desilva (2010) stated that an organization's products and services are directly made for customers as such these customers are in the best position to provide information about the quality of products and services. This is because it provides the organization with insights into stakeholders' perception about the design, quality, strength and weaknesses associated with its

products and services. This also allows the organization to take appropriate measures to enhance the quality of their products and services as well as provide them with insight into customer needs, thoughts and ideas and an opportunity to meet those needs. This enhancements on the quality of products and services also increases stakeholders confidence in the products and services of the organization, promotes for instance customer loyalty, increases customer base and maximizes profit for the organization (Hende & Schoormans, 2012). Also, stakeholder intimacy allows organizations to better improve customer retention and achieve price premiums and higher purchase rates. Organizations are able to obtain information about customer inputs or perceptions about their products and services and make changes where necessary.

An organization could attempt to measure its corporate reputation by measuring customers' loyalty to its products and services. A positive reputation for high quality results in more sales, less disappointed customers, and invariably higher profits, giving the company a competitive advantage. Johndrow (2020) opined that customers tend to tie an organization's corporate reputation to the quality of their products and services as such their involvement through suggestions, ideas and inputs are essential in enhancing the organization's products and services. Grunwald & Bernd (2011) also complement this view that the input of customers as stakeholders is very important for enhancing the quality of the products and services a firm provides which also impacts the overall reputation of the firm. Ewing et al., (2010) stated that customers input are a reflection of their opinions, views, ideas and suggestions about an organization's products and services. They implied that an organization's ability to utilize information gotten from customers input effectively is key to enhancing their products and services which has a direct impact on stakeholders' view of the organization and thus the corporate reputation of the organization.

Objectives of the Study

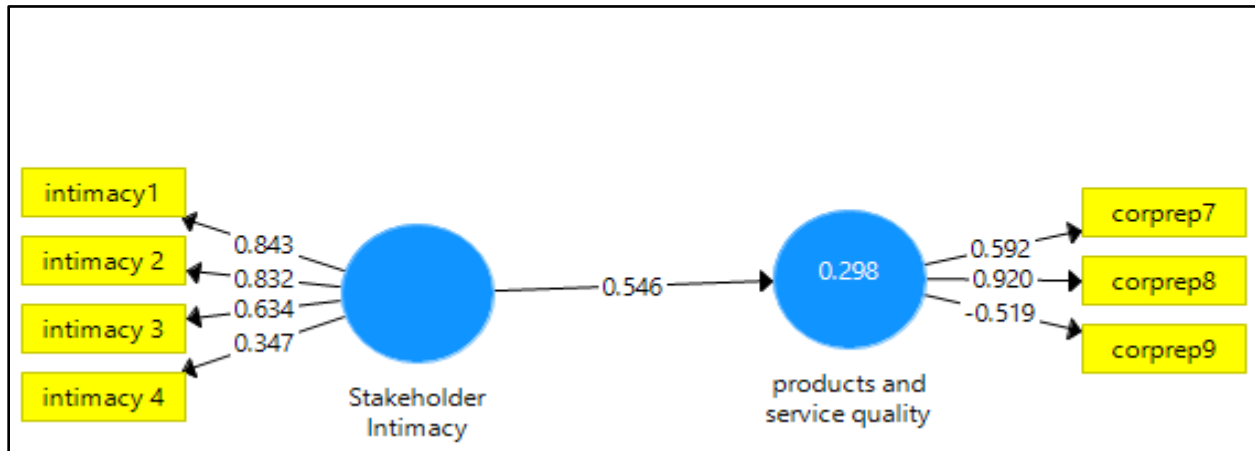
The aim of this study is to determine the degree to which stakeholders' intimacy affect quality of products and services of telecommunication firms in Nigeria. As such the following hypothesis was deduced;

H₀ Stakeholders' intimacy has no significant effect on quality of products and services.

METHODOLOGY

The cross sectional survey was used as the research design for this analysis, with questionnaires being used as the instrument for collecting relevant data. This approach was appropriate and optimal for the study because it allowed for the collection of data from telecommunication subscribers with the goal of assessing the impact of stakeholder intimacy on quality of products and services provided by telecommunication firms. Random and convenience sampling techniques which is a type of probability and non-probability sampling techniques respectively was adopted to reach the target population. A sample size of 1200 was used for the survey out of which 1003 were utilized. The statistical equation model (SEM) and the statistical package for social sciences (SPSS) were both used to examine the data.

RESULTS



The path co-efficient analysis showing the interaction of the two variables stakeholder intimacy and products and service qualities. Path coefficient (pDV,IV) indicates the direct effect of the independent variable on the dependent variable. However, this model contains the independent variable (stakeholder intimacy) and dependent variable (products and service quality), the path coefficient equals to correlation coefficient. The model shows that stakeholder intimacy accounts for 29.8% variations in products and service quality. The values are explained in the Table 1 below.

Table 1 DIRECT EFFECT OF THE INDEPENDENT VARIABLE ON THE DEPENDENT VARIABLE								
	Load ing	VIF	t- statistics	P- value	AVE	Composite Reliability	Cronbach's Alpha	RhOA
Constructs	>0.6	<3.0		<0.05		0.853	>0.863	
Stakeholder Intimacy					0.713	0.823	0.814	0.972
My telecommunication company provides products that solve customer pains for the markets where they live	0.889	2.593	46.03	0.000				
There is platform to share, vote, and discuss everything from feature functionality to product packaging	0.828	2.804	54.33	0.000				
There is a platform to discuss advertising messaging to store experiences	0.892	2.823	52.94	0.000				
I am a loyal fan that have a say in the present and future my telecommunication company	0.873	1.562	56.88	0.000				
Products and Services Quality R=0.818, R ² =0.66					0.864	0.819	0.863	0.834
Products and services tends to outperform its competitors	0.873	2.048	64.32	0.000				
I can vouch for the quality of the firms products and services	0.822	1.296	54.23	0.000				
The firm develops innovative products and services	0.892	2.401	55.93	0.000				

The first column is the factor loading, which is the variable and factor's correlation coefficient. The variation described by the variable on that particular factor is shown by factor loading. As a rule of thumb in the SEM approach, factor loading of 0.7 or higher indicates that the factor extracts enough variance from the variable. The indicators of stakeholder intimacy including my telecommunication company provides products that solves customer pain for the markets where they live with factor loading of 0.889, There is platform to share, vote, and discuss everything from feature functionality to product packaging with factor loading of 0.828, There is a platform to discuss advertising messaging to store experiences with factor loading of 0.892 and I am a loyal fan that have a say in the present and future my telecommunication company with factor loading of 0.873.

Summary of Regression Showing Influence of Stakeholders' Intimacy on Products and Service Quality

Table 2						
Model Summary		Sum of Squares	df	Mean Square	F	Sig.
R=0.546 RSquare=0.298 Adj RSquare=0.294 Std. Error=2.01608	Regression	6602.405	1	6602.405	1624.369	0.000 ^b
	Residual	4068.662	1001	4.065		
	Total	10671.067	1002			
^a Dependent Variable: product and service quality ^b Predictors: (Constant), Stakeholders' intimacy						

The hypothesis was tested and the model summary values in the Table 2 revealed, R=0.546 which is the correlation indices of stakeholders' intimacy and product and service quality. However, it can be concluded that the association between these two observed variables (stakeholders' intimacy and product and service quality) is positive and high. The estimate of the strength of this relationship is revealed in the R²=0.298 termed the "coefficient of determination which indicates the proportion of variance in the product and service quality that is accounted for by the stakeholders' intimacy. The R² of 0.298 is suggesting that about 29.8% of the variability of the amount of the products and services quality can be "explained" by the relationship with the amount of stakeholders' intimacy. As much as 70.2% of the variability is yet unexplained, there must be 1 or more other relevant factors that are related to products and service quality. Also in this table is the coefficient table which shows how well the regression model significantly predicts the dependent variable. The p<0.05 indicates that, overall, the regression model statistically significantly predicts the outcome variable at R=0.546, R²=0.298, f(1,1002)=1624.369, p<0.05. This implies that stakeholders' intimacy has significant influence on the products and service quality. Therefore, the null hypothesis is rejected while the alternate hypothesis sustained.

Summary of Coefficient Indices Showing Influence of Stakeholders' Intimacy on Products and Service Quality

Table 3					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

(Constant)	1.002	.272		3.683	.000
involvement	.891	.022	.787	40.303	.000

The Coefficients Table 3 provides the necessary information to predict changes in products and service quality from stakeholders' intimacy, as well as determine whether stakeholders' intimacy contributes significantly statistically to the model. The values in the "B" column under the "Unstandardized Coefficients" column revealed that products and service quality = $1.002+0.891$ (stakeholder intimacy).

Decision

The level of significance below 0.05 connotes a statistical confidence of above 95%. Therefore, stakeholder intimacy has a significant influence on quality of products and services. This means that the null hypothesis (H_0) was rejected.

DISCUSSION OF FINDINGS

Influence of Stakeholders' Intimacy on Products and Service Quality

The hypothesis stated that stakeholders' intimacy has no significant influence on products and service quality. The findings revealed a significant influence of stakeholders' intimacy on products and service quality. A number of conclusions can be drawn from this finding. Shymko & Roulet (2017) observed that the trend toward increased stakeholders' intimacy leads organization to require new kinds of information in decision-making. They added that internal stakeholders have conflicting priorities making the interactions more complex than ever. Lauff et al., (2020) indicated that to interact with the right stakeholders, organizations need relevant and impactful messaging as well as integrated operations to maximize pull-through efforts. Stakeholders can affect organizations in various ways, among which the determination of product and service quality constitutes one of their vital roles (Shymko & Roulet, 2017). Product and service quality refers to the sense of excellence that stakeholders have about a product, brand, or company as a result of their senses of sight, sound, touch, and smell. It is the perception of a product's dependability and robustness among stakeholders, as well as the richness and strength of the materials used the obvious fine attention to detail, and the sense of depth behind the product's design. Previous research has found that stakeholder intimacy has a major impact on product and service quality. Badham (2020) reported that stakeholders in a participatory process feel discounted and or alienated when their participation is not treated seriously and this affects their product ratings. Smart companies are focusing on perceived quality to turn functionally competitive goods into more attractive, premium products, for which higher prices can be commanded, in an environment where stakeholders are increasingly being offered practical, reliable, feature-laden products.

Chaudhuri et al., (2019) reported that customers, manufacturers, and partners are the most important external stakeholders to consult for product growth while product management, management, and engineering are the most important internal stakeholders. They went on to say that the quality of the product and service is determined by these stakeholders. Stakeholders as product creation drivers, as well as other external and internal stakeholders, have an effect on organizational decision-making and product outcomes. Stakeholders' needs and perceptions are shifting, and they are looking for new services that they can provide while providing input. Their comments serve as a source of new opportunities in enhancing an organization's products and

services (Hassanien & Dale, 2012; Adeniji et al., 2015). In the production of market-pull goods, the needs of the market and stakeholders are critical, while technology is the primary driver for technology-push products (Ulrich & Eppinger, 2000).

CONCLUSION

This paper presents a conceptual model where stakeholder intimacy can be used as a tool to enhance quality of products and services. The model provides evidence that taking into account stakeholders level of affection or resentment for a product or service can determine if stakeholders would continue to patronize an organization's products or services as such can positively or negatively affect an organization's productivity and performance levels, growth, development and future success. Therefore, it is imperative that organizations ensure they provide excellent and superior products and services if they are to retain customer loyalty, increase customer base and increased profits.

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