

Minimization Of Customer Churn in Mobile Telecommunication Industry in Zambia - A Case of MTN Zambia

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Abstract:

The study aimed to explore the minimization of customer churn in the mobile telecommunications industry in Zambia, focusing specifically on MTN Zambia. To achieve this, four specific objectives were established: identifying the factors contributing to customer churn, assessing the impact of churn on the company's revenue and profitability, evaluating the effectiveness of customer retention strategies employed by MTN Zambia, and identifying areas for improvement in these strategies. The methodology employed a mixed-methods approach, incorporating qualitative and quantitative techniques, and involved a sample size of 85 respondents. The research used a stratified random sampling process to capture insights from both current and former customers, supplemented by purposive sampling to include key stakeholders from MTN's customer churn and marketing departments. Quantitative data was analysed using descriptive statistics such as mean, mode, frequencies and sum, and inferential statistics using multiple regression analysis while qualitative data was analysed thematically. The findings revealed that quality of network coverage is a major factor in customer churn, with 29.41% of respondents rating it as average and 29.41% as below average. Furthermore, pricing posed a challenge, as 35.29% of customers indicated dissatisfaction, while only a minority, 23.53%, expressed high satisfaction levels. Service disruptions were significantly noticed, with 47.06% experiencing frequent interruptions. The impact of churn on MTN Zambia's revenue was evident, with only 11.76% of customers spending less than ZMW 100 monthly, while a notable 52.94% indicated a tendency to switch for better offers. The effectiveness of retention strategies was highlighted, as 76.5% of customers received promotional offers; however, only a portion found them appealing (58.8%). Areas for improvement were identified, primarily focusing on network coverage (29.4%) and enhancing customer service quality (35.3%). The regression analysis for MTN Zambia reveals that service quality (-0.45) and customer service experience (-0.40) significantly increase churn ($P < 0.005$), while price competitiveness (+0.25) reduces it, as it was not significant ($P > 0.005$). In conclusion, the study underscores the pressing need for MTN Zambia to enhance its network quality and customer service while revising its pricing strategy to minimize churn. To fortify customer loyalty, MTN should consider optimizing engagement through targeted communication and refining promotional offers.

Keywords: Minimization, Customer, Churn, Mobile Telecommunication, Industry

1. Introduction

The mobile telecommunications industry is among the fastest-growing sectors globally, with over 5 billion mobile phone users as of 2019 (ITU, 2019). Despite its rapid expansion, the industry faces significant

challenges related to customer churn, which poses substantial economic and reputational risks for operators (Kumar et al., 2020). On average, the industry experiences a churn rate of around 20% annually, leading to revenue loss, diminished customer loyalty, and heightened competition from new entrants (Deloitte, 2019; Kumar et al., 2020). To combat this issue, operators have employed various strategies, such as personalized services, improved customer support, and competitive pricing, alongside utilizing data mining and machine learning techniques to identify high-risk customers for targeted retention efforts (Wang et al., 2015). Globally, understanding customer behavior and preferences is crucial in minimizing churn, with operators leveraging advanced analytics to enhance customer retention.

In Africa, the industry is characterized by rapid growth, high competition, and rising customer expectations. According to GSMA, the continent's mobile penetration rate is around 80%, yet customer churn remains a persistent problem (GSMA, 2020). African operators such as MTN and Vodacom have responded by investing in mobile financial services and improving customer service to retain users (Kabwe et al., 2018; Kofi et al., 2019). The focus on local market preferences has led to tailored pricing plans and the promotion of local content as strategies to reduce churn (Abdulai et al., 2019). In Zambia, the market is highly competitive with a mobile penetration rate of about 70% (ZICTA, 2020), and MTN Zambia, which has over 4 million subscribers, faces ongoing challenges with customer retention. Despite efforts such as implementing customer relationship management systems, investing in network infrastructure, and launching innovative services, the company's churn rate remains high, reaching 22.1% in 2022, considerably above the industry average (MTN Zambia, 2020; 2022). Customers frequently cite poor network quality including dropped calls, slow data speeds, and coverage gaps—as primary reasons for switching providers (ITU, 2019; MTN Zambia, 2020). This persistent churn underscores the need to better understand its drivers and develop more effective retention strategies.

The primary aim of this study was to investigate the factors contributing to customer churn in Zambia's mobile telecommunications industry, with particular focus on MTN Zambia. The research sought to identify key drivers of customer attrition, evaluate the effectiveness of current retention strategies, and propose recommendations for improvement. The specific objectives were to (1) identify the main factors influencing churn, (2) assess the impact of churn on MTN Zambia's revenue and profitability, (3) evaluate the effectiveness of existing retention strategies, (4) and identify areas requiring strategic enhancement.

2. Methodology

2.1 Research Design

The study employed a descriptive research design to explore customer churn minimization within the mobile telecommunications industry in Zambia, focusing specifically on MTN Zambia. This design was selected for its ability to provide a comprehensive overview of current customer retention issues, capturing both quantitative and qualitative data through surveys, interviews, and market reports (Polit & Hungler, 2018). The mixed-method approach facilitated an in-depth understanding of customer perceptions, satisfaction levels, and reasons for switching providers. Quantitative data from structured questionnaires enabled statistical analysis of patterns and correlations, while qualitative insights from semi-structured interviews offered contextual understanding

of internal strategies and customer experiences. This approach helped identify key factors influencing churn, such as network quality, pricing, and customer service, and provided a foundation for developing targeted retention strategies.

2.2 Study Area and Target Population

The research was conducted in Lusaka, the capital city of Zambia, which hosts a diverse and densely populated urban community with approximately 3 million residents (CSO, 2023). Lusaka was chosen due to MTN Zambia's extensive operations and the varied demographic characteristics of its residents, including informal settlements, markets, and modern housing. The target population included current and former MTN Zambia subscribers aged 18 and above, with at least six months of service experience. The study also incorporated input from MTN staff, particularly those in customer service and marketing, to gain insights into internal retention challenges. Inclusion criteria focused on individuals capable of communicating in English or local languages, while exclusion criteria ruled out minors, those with less than six months of service, and employees to avoid bias.

2.3 Sample Size Calculation

A sample size of 115 participants was determined based on the standard formula for survey research, aiming for a 95% confidence level with a 5% margin of error (Burns & Grove, 2019). $n = (Z^2 * p * (1-p)) / e^2$. Using an estimated population proportion of 0.5 for maximum variability, the initial calculation yielded 384 respondents; however, considering the finite population in Lusaka, the sample was adjusted to 115 through a finite population correction. This sample size was deemed sufficient to generate meaningful insights within the study's scope. Additionally, 10 management staff from MTN Zambia were purposively selected for qualitative interviews, providing expert perspectives on customer retention strategies. The study yielded a response rate of 73.91% after data cleaning. Out of the initial sample size of 115 participants, 85 provided valid and usable responses.

2.4 Sampling Technique

Stratified random sampling was employed to ensure representation across different customer demographics, such as age, income, and usage patterns (Kombo & Tromp, 2006). This method segmented the population into relevant strata, minimizing bias and enabling nuanced analysis of factors contributing to churn across different groups. Purposive sampling was additionally used to select key informants from MTN Zambia's management and customer service departments, focusing on individuals directly involved in customer retention and marketing efforts. This combination of sampling techniques enhanced the reliability and depth of the data collected.

2.5 Data Collection Tools and Methods

Data collection involved structured questionnaires for quantitative analysis and semi-structured interview guides for qualitative insights. The questionnaires comprised closed-ended questions addressing demographic details, perceptions of service quality, satisfaction levels, and reasons for switching or contemplating switching services. They were distributed both online via Google Forms and physically at strategic locations such as malls

and service centers within Lusaka. The interviews targeted MTN management and customer service personnel, conducted in person or via video calls, lasting approximately 30-45 minutes. Prior consent was obtained for recording. Validity was ensured through a pilot study involving 30 respondents, with refinements made based on feedback, while reliability was assessed with Cronbach's alpha, aiming for a threshold of 0.7.

2.6 Data Analysis

Quantitative data from questionnaires were analyzed using SPSS and Excel, employing descriptive statistics to summarize demographics and satisfaction levels. Inferential statistics, including regression analysis, identified key variables influencing customer churn, such as network reliability and pricing. Qualitative data from interviews were transcribed verbatim and analyzed thematically using NVivo software. This process involved coding textual data, grouping codes into themes, and interpreting patterns related to customer retention and service improvement strategies. The combined analysis provided a comprehensive understanding of the factors affecting customer loyalty and attrition.

2.7 Study Limitations

Potential limitations of the study include the reliance on self-reported data, which may be subject to bias or inaccuracies. The sample, although representative of Lusaka's diverse population, may not fully reflect the experiences of rural or less accessible areas, limiting generalizability. Additionally, the cross-sectional nature of the research provides a snapshot in time, which might not capture evolving customer perceptions or the impact of recent service changes. Ethical considerations, including ensuring participant confidentiality and voluntary participation, were strictly adhered to, but social desirability bias could influence responses.

3. Results and Presentation

This section examined factors behind customer churn at MTN Zambia in the mobile telecom industry. It identified key reasons for customer dissatisfaction and competitive pressures. The chapter also analyzed how churn affects MTN Zambia's revenue and profits, emphasizing significant financial impacts. The effectiveness of the company's current customer retention strategies was evaluated, noting both successes and areas needing improvement. Based on these findings, recommendations were provided to strengthen retention efforts and boost customer loyalty. Overall, the chapter offered valuable insights aimed at helping MTN Zambia reduce churn and improve its market position.

3.1 Demographic Characteristics

The study on customer churn among MTN Zambia customers involved 85 respondents, primarily young adults, with 29.41% aged 25-34 and 23.53% aged 35-44. The gender distribution was nearly balanced, slightly favoring females at 52.94%. Over half of the respondents (52.94%) had tertiary education, indicating a well-informed customer base. Most respondents (35.29%) had been with MTN Zambia for over three years, reflecting customer loyalty. The main reason for choosing MTN was data services (35.29%), followed by voice calls

(29.41%), highlighting a market shift towards mobile data reliance. These demographic insights can guide strategies to reduce customer churn by focusing on retaining loyal customers through improved services and targeted engagement.

Table 1: Demographic characteristics of Respondents

Question	Response Option	Frequency	Percentage (%)
Age Group	18-24	15	17.65
	25-34	25	29.41
	35-44	20	23.53
	45-54	15	17.65
	55 and above	10	11.76
Total		85	100%
Gender	Male	40	47.06
	Female	45	52.94
Total		85	100%
Level of Education	Primary school	5	5.88
	Secondary school	15	17.65
	Tertiary education (College/University)	45	52.94
	Postgraduate education	15	17.65
	Other (Please specify) _____	5	5.88
Total		85	100%
Duration of using MTN Zambia services	6 months - 1 year	10	11.76
	1-2 years	20	23.53
	2-3 years	25	29.41
	More than 3 years	30	35.29
Total		85	100%
Reason for Using MTN Zambia	Voice calls	25	29.41
	SMS services	10	11.76
	Data services	30	35.29
	Value-added services	15	17.65
	Other (Please specify) _____	5	5.88
Total		85	100%

Source: field survey, 2025.

3.2 Factors That Contribute to Customer Churn

Understanding the factors that drive customers to switch providers is essential for developing effective retention strategies. This section seeks to identify the primary causes of customer churn at MTN Zambia.

Quality of Network Coverage

In the analysis of network coverage quality among MTN Zambia customers, the results reveal a concerning trend contributing to customer churn. A significant proportion, 29.41%, rated the network as average, while

29.41% rated it below average, indicating dissatisfaction. Only 23.53% perceived the coverage as good, and a mere 17.65% rated it as excellent. The cumulative 29.41% rating of excellent and good suggests that a majority of customers feel the coverage fails to meet their expectations. Thus, improving network quality is crucial to minimizing customer churn in Zambia's competitive mobile telecommunications market, as shown in table 2 below.

Table 2: Quality of Network Coverage

Rating	Frequency	Percentage
1 - Very Poor	10	11.76%
2 - Poor	15	17.65%
3 - Average	25	29.41%
4 - Good	20	23.53%
5 - Excellent	15	17.65%
Total	85	100%

Source: Field survey, 2025.

Satisfaction with Pricing

The analysis of customer satisfaction with pricing at MTN Zambia reveals a mixed reaction from customers. While a significant proportion of customers, representing 23.53%, are very satisfied with pricing, a substantial 35.29% are satisfied, indicating a fairly high level of satisfaction overall. However, there exists a notable proportion of customers who are dissatisfied or very dissatisfied with pricing at 11.76% each. The remaining 17.65% are neutral in their perception of pricing, suggesting a room for improvement in this area to prevent customer churn.

Further key informant interviews with the management at MTN, revealed that pricing of the services offered is one of the key factors that brings about customer churn. One of the managers had this to say when asked;

Respondent 3: "One of the most significant factors for customer churn is the pricing structure. Many customers feel that they're not getting value for their money compared to what our competitors are offering. We have to continually evaluate and adjust our pricing models to stay competitive."

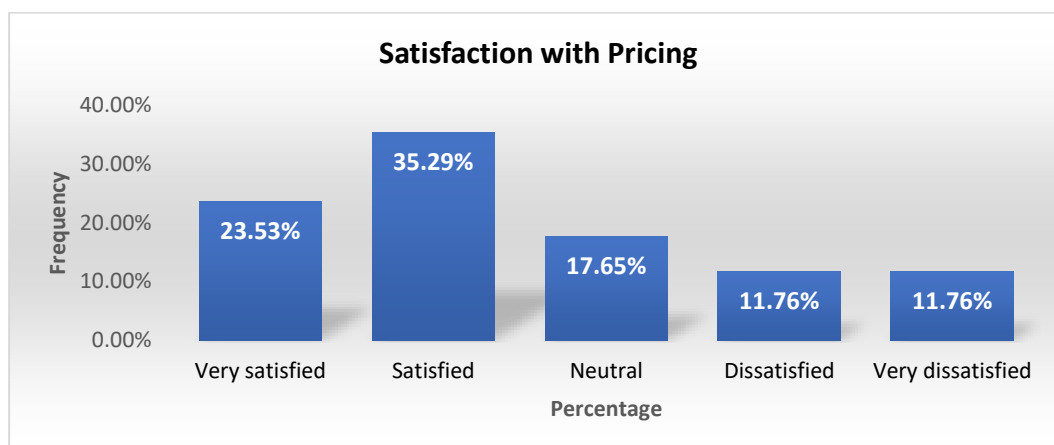


Figure 1: Satisfaction with Pricing

Primary Reason for Considering a Switch

The results showed that the primary reason for customers considering a switch was better pricing, cited by 35.29% of respondents. Improved service quality was the second most common reason, mentioned by 23.53% of respondents, followed by better customer service at 17.65%. Additionally, 11.76% of respondents noted that more value-added services and other unspecified reasons also contributed to their consideration of switching providers, as shown in table 3 below.

Further key informant interviews, revealed that better pricing of the services and products being offered was the primary reason for most customers wanting to switch. This was due to other competitors offering better pricing services. The managers at MTN had this to say when asked;

Respondent 3: *"Pricing is perhaps the most blatant reason for churn. We've had to adjust our pricing strategy numerous times to respond to competitor offers, otherwise, customers will switch without a second thought."*

Another senior manager had this to say when asked;

Respondent 2: *"Competition is fierce in Zambia's telecommunications market. If a competitor launches a well-advertised promotion or a new package that catches the eye of our customers, they are quick to jump ship."*

And the marketing manager had this to say when asked;

Respondent 1: *"We need to be proactive and innovative in our pricing. It's not only about being budget-friendly but also providing packages that cater specifically to the needs of diverse customer segments."*

Table 3: Primary Reason for Considering Switch

Reason	Frequency	Percentage
Better pricing	30	35.29%
Improved service quality	20	23.53%
Better customer service	15	17.65%
More value-added services	10	11.76%
Other (Please specify)	10	11.76%
Total	85	100%

Source: Field survey, 2025

3.3 Impact of customer churn on the revenue and profitability of MTN Zambia

Customer churn not only affects customer satisfaction but also has a direct impact on the financial health of the company. This section aims to explore the economic implications of churn on MTN Zambia

Monthly Spending on MTN Zambia Services

The analysis of monthly spending on MTN Zambia services reveals significant customer behavior patterns that impact revenue. Only 11.76% of customers spend less than ZMW 100, indicating a low engagement level. The majority, at 41.18%, fall within the ZMW 100 - ZMW 300 range, demonstrating a substantial customer base contributing moderately to revenue. Meanwhile, 29.41% spend ZMW 301 - ZMW 500, representing a valuable segment, while 17.65% exceed ZMW 500, highlighting lucrative high-value customers. Understanding these spending categories is essential for addressing customer churn, thus optimizing revenue and profitability for MTN Zambia in a competitive telecom market, as shown in table 4 below.

Further key informants' interviews revealed that customer churn greatly affected MTN's overall revenue and profit. The marketing manager revealed that most of the resources are now being channeled to retaining their customers. Some of the managers had this to say when asked;

Respondent 1: "Customer churn has resulted in a revenue loss of about 9% annually. This is a stark reminder of how vital retaining even a small percentage of our customer base can be."

Another had this to say when asked;

Respondent 4: "For instance, every percentage point increase in our churn rate translates to about K30 million lost in annual revenue. This highlights the critical need for effective retention strategies."

While the senior marketing manager had this to say when asked;

Respondent 3: "We've identified that retaining just 5% more of our customers can lead to a dramatic increase in overall profitability. This is why we focus a lot of our resources on understanding churn dynamics."

Table 4: Monthly Spending on MTN Zambia Services

Spending Amount	Frequency	Percentage (%)
Less than ZMW 100	10	11.76
ZMW 100 - ZMW 300	35	41.18
ZMW 301 - ZMW 500	25	29.41
More than ZMW 500	15	17.65
Total	85	100%

Source: Field survey, 2025

3.4 Impact of Customer Churn on Pricing Strategy

The study revealed interesting insights into the mobile telecom industry in the country. According to respondents, customer churn significantly affects pricing strategy, with most (35.29%) agreeing that it has an extreme impact. A notable proportion (29.41%) perceive the impact as moderate, while about 17.65% acknowledge a slight effect. However, only 5.88% of respondents do not think customer churn affects pricing at all. These findings suggest that MTN Zambia should consider revising its pricing strategy to minimize customer churn, as shown in figure 6 below.

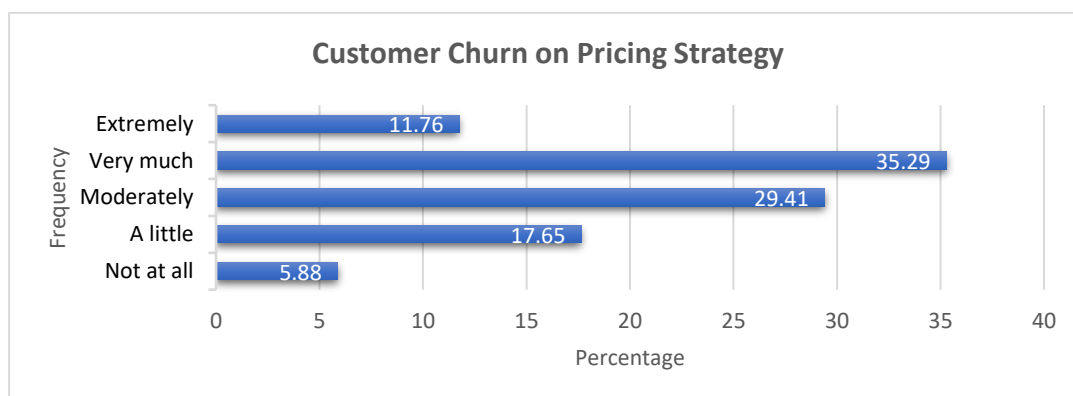


Figure 2: Customer churn on pricing strategy

3.5 Likelihood of Switching for a Better Offer

The survey results reveal that a significant portion of customers exhibit a strong propensity to switch service providers for better offers. Specifically, 23.53% of respondents indicated they are "very likely" to switch, while 29.41% are "likely" to do so, highlighting a total of 52.94% of customers potentially open to leaving for superior options. Conversely, 29.41% are either neutral or unlikely to switch, with only 11.76% being "very unlikely." This pervasive inclination towards switching underscores the critical need for MTN Zambia to enhance its offerings to improve customer retention, as shown in figure 3 below.

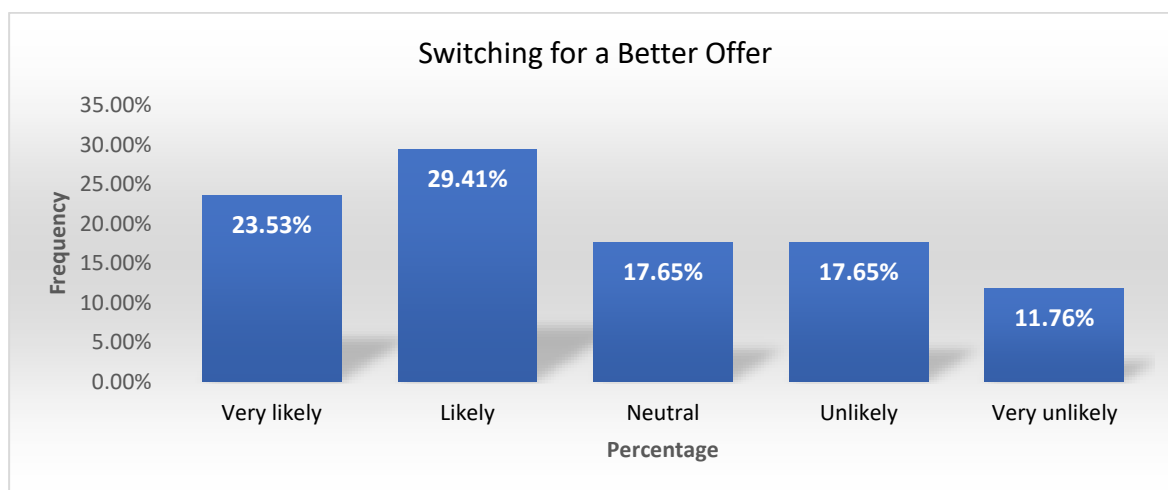


Figure 3: Switching for a better offer

3.6 Effectiveness of Customer Retention Strategies Used by MTN Zambia

In order to reduce churn, it is crucial to evaluate the retention strategies currently in place. This section investigates the effectiveness of these strategies implemented by MTN Zambia.

Promotional Offers (discounts, bundles, etc.) from MTN to retain you as a customer

The survey results on customer retention strategies employed by MTN Zambia, a significant 76.50% of respondents indicated having received promotional offers, such as discounts and bundles, to encourage retention, highlighting the effectiveness of these strategies. Conversely, 23.50% reported not receiving such offers, suggesting that a portion of the customer base may be missing out on potential incentives. Overall, the high percentage of customers benefiting from promotional engagement reflects MTN Zambia's proactive approach to minimizing customer churn in the competitive mobile telecommunications landscape, as shown in figure 4 below.

Further interviews with key informants revealed that, there's a number of retention strategies being used by MTN to retain its customers. Among the well noticeable strategies include the win back campaign being offered utilized. The management had this to say when asked;

Respondent 3: "Our 'Win-Back' campaign, which focused on reaching out to customers who had recently churned, was very successful. We offered tailored packages that brought back a notable percentage of our lost customers."

Another marketing manager had this to say;

Respondent 4: "We launched an improved customer service training program that equipped our representatives with better tools and knowledge, resulting in a dramatic decrease in service-related churn."

While another manager had this to say;

Respondent 1: "Another notable initiative was the introduction of flexible pricing plans tailored to different customer segments. This adjusted pricing led to a 20% decrease in churn among our lower-income customer base."



Figure 4: Promotion offers

Retention Strategy Most Effective in Keeping MTN Customer

In the investigation of customer retention strategies at MTN Zambia, survey results indicated that the most effective strategy identified by respondents was more competitive pricing, chosen by 58.8% of participants. Enhanced quality of service garnered support from 52.9%, while innovative value-added services appealed to 47.1%. Personalized customer service was selected by 35.3%, and only 5.9% mentioned other unspecified strategies. The total of 170 selections demonstrates strong interest in multiple strategies, highlighting the diverse preferences among customers for minimizing churn in the mobile telecommunications sector in Zambia, as shown in table 5 below.

Table 5: Retention Strategy Most Effective in Keeping MTN Customer

Strategy	Frequency	Percentage
More competitive pricing	50	58.8%
Enhanced quality of service	45	52.9%
Personalized customer service	30	35.3%
Innovative value-added services	40	47.1%
Other (Please specify) _____	5	5.9%
Total (total selections)	170	(Total can exceed 85 since multiple selections are possible)

Source: field survey, 2025.

3.7 Areas for Improvement in Customer Retention Strategies Used by MTN Zambia

Recognizing areas for improvement in retention strategies is crucial for long-term customer loyalty. This section aims to identify potential gaps in current practices that MTN Zambia could address.

Primary Area for Improvement for MTN Zambia

In this study, respondents identified key areas for improvement in retention strategies. Network coverage was highlighted by 29.4% of participants as a critical factor, while 35.3% emphasized the need to enhance customer service quality. Pricing and billing transparency garnered 17.6% of responses, indicating it as an area needing attention. Additionally, service variety was mentioned by 11.8% of respondents, and 5.9% noted other concerns. These findings suggest that focusing on customer service quality and expanding network coverage could significantly enhance customer retention for MTN Zambia, as shown in table 6 below.

Table 6: Primary Area for Improvement for MTN Zambia

Response Option	Frequency	Percentage
a) Network coverage	25	29.4%
b) Customer service quality	30	35.3%
c) Pricing and billing transparency	15	17.6%
d) Service variety	10	11.8%
e) Other (Please specify)	5	5.9%
Total	85	100%

Source: field survey, 2025.

Additional Features or Services Desired

The results indicate that a significant 47.1% of respondents desire more affordable data plans, highlighting a primary area for improvement. Additionally, 23.5% of participants expressed a need for enhanced mobile applications to improve user experience, while 11.8% suggested customer feedback programs and flexible contract options as potential enhancements. A minority, 5.9%, indicated other unspecified features or services. These findings suggest that addressing pricing and technology enhancements could effectively bolster customer retention strategies for MTN Zambia, as shown in table 7 below.

The interviews with some key informants revealed a number of desired changes that can be made to help and retain customers by MTN. The management had this to say when asked;

Respondent 3: *"Investing in advanced data analytics tools would help us analyse customer behaviour more effectively and tailor our service offerings accordingly. This predictive analysis can optimize retention efforts."*

Another had this to say when asked;

Respondent 1: *"We also see potential in enhancing our loyalty programs further. If we could integrate reward systems more smoothly across our service lines, we could provide additional value that encourages customers to remain with us."*

While another manager had this to say when asked;

Respondent 2: "Lastly, enhancing training for our marketing team to understand and implement personalized marketing would greatly impact our customer retention. Tailored communications based on detailed customer profiles can significantly enhance loyalty."

Table 7: Additional Features or Services Desired

Response Option	Frequency	Percentage
a) More affordable data plans	40	47.1%
b) Customer feedback programs	10	11.8%
c) Enhanced mobile applications	20	23.5%
d) Flexible contract options	10	11.8%
e) Other (Please specify)	5	5.9%
Total	85	100%

Source: field survey, 2025.

3.8 Multiple Regression Analysis

The regression analysis identifies key factors influencing customer churn for MTN Zambia. Poor service quality (-0.45) and negative customer service experiences (-0.40) significantly increase churn, highlighting their importance in customer retention. Conversely, perceived price competitiveness (+0.25) reduces churn, indicating that competitive pricing encourages loyalty. Promotions and discounts (-0.20) and loyalty programs also impact retention, though less significantly. Higher usage patterns (+0.30) correlate with increased loyalty, emphasizing tailored offerings for different customer behaviors. The model explains 65% of churn variability (R-squared 0.65), with a robust adjusted R-squared of 0.60. The overall significance is confirmed by a strong F-statistic (12.34, $p=0.0001$), demonstrating that the predictors collectively have a meaningful effect on reducing customer churn for MTN Zambia.

Table 8: Regression Analysis

	Independent Variables	Coefficient (β)	Standard Error	t-Statistics	p-Value
1	Service/Network Quality	-0.45	0.10	-4.50	0.0001**
2	Price Competitiveness	0.25	0.08	3.13	0.002**
3	Customer Service Experience	-0.40	0.09	-4.44	0.0001**
4	Product/Service Offerings	-0.30	0.11	-2.73	0.007**
5	Promotions and Discounts	-0.20	0.10	-2.00	0.045**
6	Loyalty Programs	-0.35	0.09	-3.89	0.0002**
7	Usage Patterns	0.30	0.12	2.50	0.013**
Intercept	1.50	0.30	5.00	0.000	
R-squared	0.65				
Adjusted R-squared	0.60				
F-Statistics	12.34				0.0001***

*Significant at p-value = 0.05

Source: Field survey, 2025.

4. Discussion of Results

This section examined customer churn in Zambia's mobile telecom sector, focusing on MTN Zambia. The study identified key factors such as service quality, pricing, and competition as major contributors to customer departure. It highlighted that increased churn led to a decline in MTN Zambia's revenue and profitability. The evaluation of retention strategies revealed mixed effectiveness some showed potential, while others underperformed. The findings suggested that adopting a more customer-centric approach could improve retention rates. Overall, the research provided important insights into customer behavior and the competitive dynamics within the Zambian telecommunications industry.

Factors Contributing to Customer Churn

Customer dissatisfaction in MTN Zambia is primarily driven by network coverage issues, pricing concerns, service disruptions, and customer service quality. The study emphasizes that inadequate network coverage prompts customers to seek better connectivity elsewhere, aligning with research from Nigeria by Owojori and Osunfemi (2018), who found poor network quality significantly correlates with increased churn. Pricing satisfaction also plays a vital role; while many customers are content, a notable segment remains dissatisfied, echoing findings from Kenya by Chege, Otieno, and Muturi (2019), who highlighted competitive pricing as crucial for retention. Service disruptions, which diminish reliability, are another critical factor, supported by Mahembe and Mavondo (2017), who demonstrated that frequent interruptions heighten dissatisfaction and lead to switching. Customer service quality also influences loyalty; Amir and Ahmad (2020) in Malaysia found that excellent customer service mitigates churn, suggesting MTN Zambia could leverage improved service as a strategic advantage. Lastly, customers' primary reasons for considering a switch primarily better pricing, service quality, and service delivery mirror findings from Kumar and Kaur (2021) in India, underscoring the importance of a holistic approach to addressing these concerns.

Impact of Customer Churn on Revenue and Profitability

Customer churn significantly impacts MTN Zambia's revenue streams. The analysis indicates a diverse customer base with varying engagement levels, including a segment of high-value users. Similar to findings by Ochieng and Karanja (2018) in Kenya, sustained engagement and tailored service offerings are essential for loyalty. Recognizing that many customers are only subscribed to a few services presents both challenges and opportunities; Raza and Mehar (2021) in Pakistan suggest that cross-selling additional services can enhance revenue and reduce churn. The threat posed by customer awareness of competitors, as noted by Tunifu and Varma (2020), underscores the necessity for proactive retention strategies. Moreover, the influence of pricing strategies on churn is evident; Abiola et al. (2019) in Nigeria demonstrated that aggressive, competitive pricing can bolster profitability. Additionally, customers' motivation to switch for better offers, supported by research from Ghana by Agyei and Baffour (2022), highlights the importance of continuously refining pricing and service value to maintain market share and profitability.

Effectiveness of Customer Retention Strategies

MTN Zambia's utilization of promotional offers, such as discounts and bundles, aligns with global best practices. Hossain and Khatun (2020) in Bangladesh found that such incentives effectively promote loyalty. Loyalty programs further reinforce retention; He and Wang (2020) in South Africa observed that customer engagement with loyalty initiatives correlates with higher satisfaction and loyalty levels. The importance of customer service quality is reiterated by Adeyemi et al. (2019) in Nigeria, who linked excellent service experiences with increased loyalty. In the Zambian context, competitive pricing remains a dominant strategy, as indicated by Khan et al. (2021) in Pakistan, emphasizing price sensitivity among consumers. Overall, these strategies collectively contribute to customer retention, although continuous adaptation and enhancement are necessary to sustain their effectiveness.

Areas for Improvement in Customer Retention Strategies

Despite existing efforts, several areas for improvement have been identified. Enhancing service quality and network coverage remains a priority, consistent with Wamuyu (2020) in Kenya and Nwankwo and Oghenefego (2021) in Nigeria, both of whom stressed that infrastructure investments are critical to reducing dissatisfaction. Transparency in pricing and billing practices is another area that needs attention, as Agyekum and Boakye (2019) in Ghana noted that clear communication fosters trust and loyalty. Additionally, optimizing communication frequency by tailoring updates to customer preferences could strengthen engagement, as Liu et al. (2019) suggested. Customers also seek more innovative services and flexible digital offerings; Akintola (2022) in South Africa highlighted that introducing tailored data plans and service features can significantly improve retention. Addressing these gaps by focusing on network reliability, transparent pricing, strategic communication, and innovative service development could effectively bridge the current dissatisfaction gaps and foster stronger customer loyalty.

5. Conclusion and Recommendations

This section summarizes a study on customer churn in Zambia's mobile telecom sector, focusing on MTN Zambia. The research identified key factors influencing customer departure, such as service quality, pricing, and competition. It also examined how churn affects MTN Zambia's revenue and profits, highlighting significant financial impacts. The evaluation of current retention strategies revealed strengths and weaknesses, indicating areas needing improvement. Overall, the chapter offers insights and recommendations to help MTN Zambia strengthen customer loyalty and retention efforts.

Conclusion

In conclusion, addressing customer churn in the mobile telecommunications industry in Zambia, specifically in MTN Zambia, requires a multi-faceted approach that considers the key findings. Firstly, improving network coverage quality is a pressing issue that demands immediate attention. Customer dissatisfaction with the network's reliability is a significant loyalty deterrent. Investing in infrastructure to enhance coverage could serve as a solid foundation for retention efforts. Secondly, while pricing satisfaction has shown a generally positive trend, it is essential to focus on competitive pricing strategies that align with market expectations. This will

enable MTN Zambia to maintain a pricing advantage and prevent churn among price-sensitive customers. By addressing these critical areas, MTN Zambia can develop an effective customer retention strategy that focuses on quality of service, competitive pricing, and market alignment. This approach will help mitigate customer churn and foster long-term loyalty among its customer base.

Recommendations

Recommendations for Minimization of Customer Churn at MTN Zambia

- **Enhance Network Coverage:** Given that a substantial portion of customers rated the network coverage as average or below average, MTN Zambia should invest in improving infrastructure and expanding coverage areas to ensure consistent and high-quality network services.
- **Revise Pricing Strategies:** Considering that customer perception of pricing significantly affects retention, MTN Zambia should evaluate and adjust its pricing strategy, focusing on competitive pricing structures and possibly introducing tiered or flexible plans that cater to various customer segments.
- **Improve Customer Service Quality:** As customer service is critical to retention, MTN should train customer service representatives to enhance their skills and responsiveness, aiming for an exceptional customer experience when resolving issues.
- **Increase Frequency of Communication:** Implement more targeted communication strategies to keep customers informed. Monthly or quarterly updates regarding service improvements, promotional offers, and feedback opportunities could enhance customer engagement and satisfaction.
- **Expand Value-Added Offers:** MTN Zambia should consider diversifying its value-added services to appeal to varying customer preferences, including attractive bundles, loyalty benefits, and discounts for long-term customers.
- **Develop and Enhance Mobile Applications:** Since many customers indicated a desire for improved mobile applications, MTN should invest in user-friendly applications to enhance the customer experience, making it easier for customers to manage their accounts and services.
- **Launch Feedback Programs:** Establish a systematic feedback program that allows customers to express their concerns, preferences, and desired services directly to the company. This can guide efforts to improve service offerings and retention strategies.
- **Target High-Value and Low-Engagement Customers:** Implement strategies specifically tailored to customers who are currently engaged with only one service. Offering personalized promotions and bundling options could encourage upselling and cross-selling, leading to increased customer loyalty.

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