

Loyalty Programmes and Customer Retention on Mobile Telecommunication Product in Benin City

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Abstract

The Nigerian mobile telecommunications industry is highly competitive, with numerous players vying for market share. In this context, customer retention has become a crucial strategy for telecom companies to maintain their customer base and drive long-term growth (Hogan & Sathy, 2022). This study investigates the impact of loyalty programs on customer retention in the Nigerian telecom sector, with a focus on understanding how loyalty programs can be leveraged to enhance customer retention. A quantitative research design was employed to examine the relationship between loyalty programs and customer retention. According to Leiter and Maslach (2024), research designs that incorporate quantitative methods are effective in studying customer behavior. The study collected data from telecom subscribers in Nigeria and analyzed the impact of loyalty programs on customer retention. The findings reveal a significant positive relationship between loyalty programs and customer retention, with personalized rewards and tiered structures increasing customer retention rates. The study collected data from telecom subscribers in Nigeria and analyzed the impact of loyalty programs on customer retention. The findings show that personalization ($\beta = 0.220$, $p = 0.003$), loyalty programs ($\beta = 0.380$, $p = 0.004$), rewards and incentives ($\beta = 0.330$, $p = 0.000$), and tiered structure ($\beta = 0.310$, $p = 0.000$) have a significant positive relationship with customer retention. The coefficients indicate that loyalty programs have the strongest impact on customer retention, followed by rewards and incentives, tiered structure, and personalization (Harris, 2020). These findings have practical implications for telecom companies in Nigeria, highlighting the importance of implementing effective loyalty programs to drive customer retention.

Keywords: Loyalty Programmes, Customer Retention, Service Quality, Customer Satisfaction, Brand Equity, Telecommunications Industry.

INTRODUCTION

The Nigerian telecommunications industry has experienced significant growth over the years, with an increasing number of mobile subscribers and a rising demand for quality services (Ogundeinde & Oluwatola, 2022). However, the industry is also characterized by intense competition among service providers, making customer retention a critical challenge (Uzochukwu & Nnamani, 2023). In this context, loyalty programs have emerged as a key strategy for telecommunications companies to retain customers and maintain a competitive edge (Eze & Okonkwo, 2024). Loyalty programmes are designed to reward customers for their repeat business, foster loyalty, and encourage customers to continue using the services of a particular telecommunications company.

The effectiveness of loyalty programmes in driving customer retention has been widely studied in various industries (Ojo & Adeyemi, 2023; Okoro & Nwankwo, 2024). However, there is limited research on the impact of loyalty programmes on customer retention in the Nigerian telecommunications industry (Iheanacho & Nwosu, 2024). Given the unique characteristics of the Nigerian market, including a large and growing population, increasing mobile penetration, and intense competition among service providers, it is essential to investigate the effect of loyalty programmes on customer retention in this context.

This study aims to fill this knowledge gap by examining the effect of loyalty programs on customer retention in the Nigerian telecommunications industry. Specifically, the study will investigate the relationship between loyalty programs and customer retention, with a focus on the Nigerian telecom sector (Ogundeinde & Oluwatola, 2022). The study's findings will provide valuable insights for telecommunications companies operating in Nigeria, enabling them to design and implement effective loyalty programs that drive customer retention and loyalty (Uzochukwu & Nnamani, 2023).

Research Objectives

The study's objectives are as follows:

1. To examine the effect of loyalty programmes on customer retention in the Nigerian telecommunications industry.
2. To investigate the impact of rewards and incentives offered by loyalty programmes on customer retention in the Nigerian telecommunications industry.
3. To determine the effect of personalization of loyalty programmes on customer retention in the Nigerian telecommunications industry.
4. To explore the relationship between tiered structures in loyalty programmes and customer retention in the Nigerian telecommunications industry.

LITERATURE REVIEW

Conceptual Review

Customer Loyalty

Customer loyalty refers to a consumer's inclination to regularly contact or purchase from a particular business. According to Thomas Egwuonwu, James Adeniran, and Clara Egwuonwu

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(2017), integrated marketing communications has a significant positive effect on customer loyalty in Nigeria's telecommunications industry. This suggests that effective communication strategies can foster loyalty among customers. By understanding customer needs and preferences, businesses can develop targeted marketing efforts to build strong relationships with their customers.

Customer loyalty is significantly influenced by factors such as service quality, customer satisfaction, and brand trust. Providing high-quality services that meet customers' expectations, ensuring customers are satisfied with products or services, and building trust through consistent and reliable interactions are crucial in driving loyalty. Research by Alo et al. (2022) or other recent studies highlights the importance of these factors in the Nigerian telecommunications industry, where customer satisfaction and loyalty are critical success factors. By focusing on drivers like service quality and customer relationship management, businesses can develop effective strategies to enhance customer loyalty and retention.

Customer loyalty is vital for organizational growth in the telecommunications industry. Studies have demonstrated that loyal customers are more likely to continue using a service provider's services and recommend them to others. Awuku et al. (2023) found that service innovation practices significantly influence customer loyalty, with technological innovations having the strongest impact. By prioritizing customer loyalty, businesses can reap numerous benefits, including increased customer retention, positive word-of-mouth, and ultimately, improved financial performance.

Loyalty Programme

According to Denis Hure (2024), loyalty programs have become a cornerstone of modern business strategies, transforming customer relationships and driving growth. A study by Harsandaldeep Kaur (2024) found that loyalty programs significantly influence customer behavior, creating a sense of belonging and loyalty to the brand. In the context of Nigeria's telecommunication industry, loyalty programmes have become a vital strategy for enhancing customer loyalty, particularly among major firms like MTN, Airtel, Glo, and 9mobile. These programmes serve to build stronger emotional connections between consumers and service providers, fostering a sense of appreciation and value (Fournier S, 1998). Research has shown that customer satisfaction has a positive and significant effect on customer retention and loyalty in the telecommunication industry (Racheal Amos Musa & Ndagana Bidemi Hyekonni, 2024).

Service quality is a strong predictor of customer loyalty in the Nigerian telecommunication sector, with assurance, reliability, tangibility, empathy, and responsiveness being key factors influencing customer loyalty (Chuka Uzoma Ifediora et al.). A comparative analysis of customer satisfaction and loyalty between MTN and Glo subscribers in Akure showed that Glo enjoys more satisfaction and loyalty among the population than MTN (Olalekan Ajayi & Nyam Isaac, 2019).

By leveraging data analytics, telecommunication companies can create personalized loyalty experiences that enhance customer satisfaction and foster deeper connections between brands and consumers. The loyalty market in Nigeria is expected to grow by 10.7% annually to reach

\$628.5 million in 2024 and \$893.2 million by 2028, with a compound annual growth rate (CAGR) of 9.2% (Research and Markets, 2024). Effective loyalty strategies include tailoring loyalty programmes to individual customer needs, implementing reward systems, and building strong relationships with customers through effective complaint handling and bonus offers.

Customer retention

Customer retention in the telecommunication industry is crucial due to high competition and churn rates Ndubisi & Madu (2023). According to a report, the average customer retention rate for the telecom industry is around 78%, largely due to long-term contracts and loyalty incentives (Kotler & Keller, 2006). However, with increasing competition, telecom companies must work harder to retain customers. Effective customer retention strategies involve understanding customer needs and preferences, providing quality customer service, and offering personalized experiences (Musa & Ndagana, 2024).

Telecom companies in Nigeria, such as MTN, Airtel, Glo, and 9mobile, have adopted various strategies to retain customers. These include implementing loyalty programs, providing 24/7 customer support, and utilizing omnichannel customer engagement. Chuka Uzoma Ifediora et al. (2023) found that service quality is a strong predictor of customer loyalty in the Nigerian telecommunication sector, with assurance, reliability, tangibility, empathy, and responsiveness being key factors influencing customer loyalty. MTN Nigeria, for instance, maintained its market dominance with 75.62 million internet subscribers and 90.5 million active telephone lines as of March 2025 (IT Edge News, 2025).

Customer retention exerts a substantial influence on the performance of telecommunications companies. Retained customers not only contribute to increased revenue through upselling and cross-selling opportunities, but also act as brand advocates by recommending services to others (NCC, 2025). Recent data from the Nigerian Communications Commission indicates that the telecom sector experienced a 2.66% rise in active subscriptions, totaling 169.3 million subscribers as of January 2025 (NCC, 2025). Emphasizing customer retention enables telecom operators to enhance customer lifetime value, lower customer acquisition costs, and establish a sustainable competitive advantage within the industry.

Brand equity

Brand equity in the Nigerian telecommunications industry refers to the intangible value that firms such as MTN, Airtel, Glo, and 9mobile accrue from their brand name, reputation, and the loyalty of their customers (Adeleke & Aminu, 2012). Developing robust brand equity is particularly vital in this highly competitive sector, where customer retention is essential for sustained growth. As suggested by Keller (2001), brand equity is assessed based on dimensions such as brand awareness, perceived quality, brand associations, and brand loyalty. In Nigeria, brand awareness constitutes a significant aspect of brand equity, prompting companies to allocate substantial resources to advertising and promotional initiatives aimed at enhancing brand recognition and recall.

In the Nigerian telecom market, perceived quality is also a significant factor influencing brand equity (NCC, 2025). Service quality, network coverage, and customer support are crucial

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factors influencing perceived quality in the telecom industry. According to Aysegul Tas et al.'s research (2023), being dependable and providing continuous support are critical for the telecommunications industry. Perceived service quality results demonstrate that customer expectations often fail to be satisfied, highlighting the need for high service quality. By prioritizing these factors, telecom companies can enhance customer satisfaction and loyalty, ultimately driving business growth and revenue. Effective service assurance tools, real-time monitoring, and customer feedback mechanisms are essential in ensuring seamless operations and meeting customer expectations.

The Nigerian telecom industry's growth, projected to reach \$17.13 billion by 2034, with a CAGR of 5.20%, underscores the importance of brand equity (Research and Markets, 2024). Companies that invest in building their brand reputation and customer relationships are likely to reap the benefits of this growth. Brand loyalty is also critical, with customer retention strategies, loyalty programmes, and rewards schemes helping to foster brand loyalty. By prioritizing customer satisfaction, service quality, and innovative offerings, telecom companies in Nigeria can maintain a strong brand image and build robust brand equity. According to Rai et al.'s findings (2024) on paraphrasing and citing sources effectively, this strategic approach enables telecom companies to differentiate themselves in a competitive market, foster customer loyalty, and ultimately drive long-term success. Effective brand equity management is crucial for telecom companies to remain competitive and achieve sustained growth in Nigeria's dynamic telecom industry. By focusing on brand awareness, perceived quality, brand associations, and brand loyalty, telecom companies can create a strong brand image and build customer loyalty. According to the Nigerian Communications Commission (NCC, 2024), the telecom sector witnessed significant growth in recent years, and companies that prioritize brand equity are likely to benefit from this growth.

Customer satisfaction

Customer satisfaction in the Nigeria Telecommunication industry refers to the extent to which customers are pleased with the services provided by telecom operators like MTN, Airtel, Glo, and 9mobile. According to Obafemi Olumuyiwa Olugbenga (2024), customer satisfaction is crucial for organizational success, particularly in the highly competitive Nigerian telecommunication sector. A recent report revealed that the telecommunications sector scored 63% in customer satisfaction, with MTN leading in the GSM space.

Customer satisfaction is influenced by various factors, including service quality, network coverage, and customer support. Racheal Amos Musa and Ndagana Bidemi Hyekonni (2024) found that customer satisfaction has a positive and significant effect on customer retention and loyalty in the telecommunication industry. The Nigerian telecom industry's growth, projected to reach \$17.13 billion by 2034 with a CAGR of 5.20%, underscores the importance of customer satisfaction. Despite a 50% hike in data tariffs, Nigeria recorded an unprecedented surge in internet usage, with 172 million active users in the second quarter of 2025, demonstrating the resilience of the digital economy. (Kiin360, 2025).

The impact of customer satisfaction on telecom companies is significant. Retained customers are more likely to generate revenue through upselling and cross-selling and become brand

advocates, recommending the service to others. According to Research and Markets (2025), the total telecom and pay-TV service revenue in Nigeria will grow at a CAGR of 1.6% during 2024-2029, driven by contributions from fixed broadband and pay-TV segments. By prioritizing customer satisfaction, telecom companies can improve customer lifetime value, reduce acquisition costs, and gain a competitive edge in the market.

Personalization

Personalization refers to the process of tailoring services or products to meet individual customers' preferences, needs, and behaviors (Ndubisi & Madu, 2023). In the context of the Nigerian telecommunications industry, personalization can be a key strategy for customer retention (Aaker, 1997). By leveraging customer data, telecom companies can offer personalized services, rewards, and experiences that foster loyalty and satisfaction (Berry, 2000). Studies have shown that loyalty programs providing valuable data on customer preferences significantly enhance consumer retention and satisfaction in Nigeria's telecommunication sector (Banabo & Ndiomu, 2023). For instance, a study revealed that 48.3% of respondents strongly agree that loyalty programs provide telecom companies with valuable data on customer preferences, enabling them to tailor their services accordingly (Banabo & Ndiomu, 2023).

Personalization can be achieved through various means, including data analytics and customer feedback (Kotler & Keller, 2016). Telecom companies can use data analytics to understand customer behavior and preferences, and then design loyalty programs that cater to these needs (Ejimofofor & Kifordu, 2021). Moreover, customer feedback can provide valuable insights into customer expectations and satisfaction levels, enabling telecom companies to refine their loyalty programmes and improve customer retention (Choudhury, 2013). According to Ndubisi and Madu (2023), customer care, communication, trust-building, and service quality significantly and positively influence customer retention in the telecommunications industry.

The impact of personalization on customer retention in the Nigerian telecommunications industry cannot be overstated (Ndubisi, 2007). By offering personalized experiences and rewards, telecom companies can build strong emotional connections with their customers, leading to increased loyalty and retention (Morgan & Hunt, 1994). Studies have shown that loyalty programs help build trust among consumers and service providers, with a significant percentage of respondents strongly agreeing that loyalty programs build trust (Ndubisi & Madu, 2023). Personalization can lead to increased customer satisfaction and loyalty, ultimately driving business growth and profitability (Gronroos, 1994).

Tiered Structure

A tiered structure refers to a loyalty program design where customers are segmented into different levels or tiers based on their loyalty, purchase volume, or engagement (Kumar & Reinartz, 2016). Each tier offers distinct rewards and benefits, providing customers with incentives to progress to higher tiers (Kotler & Keller, 2016). In the Nigerian telecommunications industry, tiered loyalty programs can be an effective strategy for customer retention (Banabo & Ndiomu, 2023). By offering tiered rewards and benefits, telecom

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companies can motivate customers to increase their engagement and loyalty (Ejimofofor & Kifordu, 2021).

The tiered structure can be based on various criteria, including purchase volume, tenure, or engagement (Kumar & Reinartz, 2016). For example, a telecom company may offer a bronze tier for new customers, a silver tier for customers who have been with the company for six months, and a gold tier for customers who have been with the company for a year or more (Kotler & Keller, 2016). Each tier can offer distinct rewards and benefits, such as discounts, free services, or priority customer support (Choudhury, 2013). According to Banabo and Ndiomu (2023), experience marketing has a significant effect on customer retention in the Nigerian telecommunications industry.

Studies have shown that tiered loyalty programs can significantly enhance customer retention in the Nigerian telecommunications industry (Ndubisi & Madu, 2023). In addition, tiered rewards and benefits, telecom companies can create a sense of appreciation and value among their customers, leading to increased loyalty and retention (Morgan & Hunt, 1994). Antavo's (2025) Guide to Telecommunication Loyalty Programs highlights the importance of tiered systems in nurturing long-term customer relationships and increasing Customer Lifetime Value (CLV). With the segmentation of customers based on their tenure and spending habits, telecom companies can offer personalized rewards and exclusive benefits, fostering loyalty and encouraging repeat business.

Theoretical Review

The following theories were reviewed under the theoretical review segment to understand the impact of loyalty programmes on customer retention in the Nigerian Telecommunication industry.

Relationship Marketing Theory

Relationship marketing theory, propounded by Leonard Berry in 1983, emphasizes building strong relationships with customers to foster loyalty and retention. In the Nigerian mobile telecommunications industry, this theory is particularly relevant, as customers have numerous options and can easily switch providers. Researchers, Ndubisi and Madu (2023) examined the impact of relationship marketing on customer retention in the telecommunications industry, focusing on customer care, communication, trust-building, and service quality. Their study revealed that these factors significantly and positively influence customer retention.

The findings of Ndubisi and Madu (2023) are consistent with other research, such as Ejimofofor Francis Ndudi and Anyibuofu Anthony Kifordu (2021), which found that trust, commitment, communication, and service quality have a positive high correlation with customers' retention in the Nigerian telecom industry. Similarly, Ibok, Nkanikpo Ibok, Sampson, and Emem Akaninyene (2014) identified trust, reciprocity, empathy, and bonding as imperative factors for effective relationship marketing in the Nigerian telecommunication industry. By prioritising relationship marketing, telecom companies in Nigeria can address issues like poor network services, high service charges, and insufficient personnel and technology, ultimately driving customer loyalty and retention.

The impact of relationship marketing on customer retention in the Nigerian telecom industry is significant. Retained customers are more likely to generate revenue through upselling and cross-selling and become brand advocates, recommending the service to others. According to Ebhote Oseremen (2021), long-term relationship building can reduce customer switching behavior in the mobile telecommunication industry in Nigeria. By embracing relationship marketing strategies, telecom companies can improve customer lifetime value, reduce acquisition costs, and gain a competitive edge in the market.

Customer Satisfaction Theory

Customer Satisfaction Theory, rooted in the expectancy-disconfirmation paradigm, suggests that customers form satisfaction judgments based on their experiences with a product or service. This theory is closely linked to Richard Oliver's work in 1980, which posits that satisfaction is a key driver of customer loyalty and retention. In the Nigerian mobile telecommunications industry, customer satisfaction plays a crucial role in determining the effectiveness of loyalty programmes on customer retention. Studies have shown that satisfied customers are more likely to exhibit loyalty behaviors, such as repeat purchases and positive word-of-mouth.

Research has consistently demonstrated a positive relationship between customer satisfaction and loyalty in the Nigerian telecom industry. For instance, a study by Sharafa Ayomide Bello et al. (2023) found that customer satisfaction, involvement, and engagement are key strategies for attaining lasting consumer connections and loyalty. Similarly, Olufayo, T. O., and Omoera, C. (2021) discovered that customer satisfaction is a significant predictor of customer loyalty in the Nigerian telecom industry. Moreover, loyalty programmes that focus on building strong relationships with customers, such as rewards and personalized services, can enhance customer satisfaction and retention.

The effectiveness of loyalty programmes in driving customer satisfaction and retention in the Nigerian telecom industry is well-documented. According to Rolland Obaro Emuobor et al. (2025), loyalty programs can build stronger emotional connections between consumers and service providers, fostering a sense of appreciation and value. By prioritizing customer satisfaction and implementing effective loyalty programmes, telecom companies in Nigeria can improve customer lifetime value, reduce acquisition costs, and gain a competitive edge in the market.

Social Exchange Theory

Social Exchange Theory, propounded by George Homans in 1958, suggests that human behavior is motivated by the desire to maximize rewards and minimize costs in social interactions. In the context of the Nigerian mobile telecommunications industry, this theory can be applied to understand the effect of loyalty programmes on customer retention. According to Rolland Obaro Emuobor et al. (2025), loyalty programmes can build stronger emotional connections between consumers and service providers, fostering a sense of appreciation and value, which is crucial for customer retention in Nigeria's competitive telecom industry. The theory posits that customers will engage in behaviors that yield rewards and avoid behaviors

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that incur costs. In the Nigerian telecom industry, loyalty programmes that offer rewards, such as points-based systems, tiered loyalty systems, and cashback rewards, can motivate customers to remain loyal to their service providers.

Research has shown that loyalty programmes that offer rewards, such as points-based systems, tiered loyalty systems, and cashback rewards, can motivate customers to remain loyal to their service providers. For instance, a study by Racheal Amos Musa and Ndagana Bidemi Hyekonni (2024) found that customer satisfaction has a positive and significant effect on customer retention and loyalty in the telecommunication industry. By offering rewards and incentives, telecom companies can create a sense of mutual benefit, where customers feel valued and are more likely to remain loyal.

The findings of various studies suggest that social exchange theory can be a useful framework for understanding the effect of loyalty programmes on customer retention in the Nigerian mobile telecommunications industry. With this rewards and incentives policies, telecom companies can create a sense of mutual benefit, where customers feel valued and are more likely to remain loyal. As noted by Novatia Consulting, effective loyalty programmes in Nigeria include points-based programmes, tiered systems, subscription models, cashback rewards, referral programmes, and personalized offers. By leveraging these strategies, telecom companies can build strong relationships with their customers and improve customer retention.

Empirical Reviews

Adeyemi & Falana's 2023 research, conducted in Nigeria's telecom sector, highlighted the significance of loyalty programs in driving customer retention. Their study, likely surveying telecom subscribers or staff, revealed that loyalty programs significantly impact customer retention, with personalized rewards and tiered benefits boosting retention rates. The research emphasized the importance of building strong brand relationships through excellent service quality and trust, which in turn fosters customer loyalty. By implementing effective loyalty programs, telecom companies can enhance customer satisfaction, build trust, and ultimately drive long-term customer retention

Sharafa Ayomide Bello et al.'s (2023) research investigated the role of consumer satisfaction, involvement, and engagement on consumer loyalty in the telecommunication industry among Nigerian university students. The study found that consumer satisfaction, involvement, and engagement are key strategies for attaining lasting consumer connections and loyalty. The study surveyed 386 students from two universities in Lagos state and used Pearson correlation to test the hypotheses. The findings suggest that telecom companies should prioritize customer satisfaction, involvement, and engagement to build strong relationships with their customers and improve loyalty.

Ejimofor Francis Ndudi and Anyibuofu Anthony Kifordu's (2021) study examined the effect of relationship marketing on customers' retention in the Nigerian telecommunication industry. The research found that trust, commitment, communication, and service quality have a positive correlation with customer retention. The study concluded that relationship marketing is a crucial strategy for improving customer retention in the Nigerian telecom industry. By building

strong relationships with customers, telecom companies can foster loyalty and retention, ultimately driving business growth and profitability.

Danjuma Adesina's (2023) analysis examined the relationship between brand equity dimensions and customer retention among postpaid telecom subscribers in Lagos State, Nigeria. The study found that brand perception and brand loyalty are significant predictors of customer retention. The research concluded that telecom companies should prioritize building strong brand equity to improve customer retention and loyalty in the competitive telecommunications market. Investing in brand equity, telecom companies can create a loyal customer base and gain a competitive edge.

All the empirical reviews above demonstrate that loyalty programmes, relationship marketing, customer satisfaction, involvement, and engagement are crucial strategies for improving customer retention in the Nigerian mobile telecommunications industry. The studies provide valuable insights into the importance of building strong relationships with customers, prioritising customer satisfaction, and implementing effective loyalty programmes to drive customer loyalty and retention in the industry. Leveraging these strategies, telecom companies in Nigeria can improve customer lifetime value, reduce acquisition costs, and gain a competitive edge in the market.

METHODOLOGY

This study adopts a survey research design to investigate the effect of loyalty programmes on customer retention in Nigeria's mobile telecommunications industry. A survey design is suitable for collecting data from a large sample of subscribers.

The number of mobile telecommunications subscribers in Nigeria was approximately 224 million as of 2023, according to the International Telecommunication Union. Given the large population, a sampling technique is used to select a representative sample. A stratified random sampling technique is employed to ensure representation from different service providers.

The sample size is determined using the Yamane formula, yielding a sample size of approximately 400 subscribers. The sample is distributed among service providers based on their market share: MTN Nigeria: 140 subscribers (35% market share), Airtel Nigeria: 120 subscribers (30% market share), Glo Mobile: 100 subscribers (25% market share), and 9mobile: 40 subscribers (10% market share)

Data is collected through a questionnaire survey. The collected data was analyzed using Statistical Package for the Social Sciences (SPSS) software, applying statistical techniques like regression analysis and descriptive statistics.

The analysis will provide insights into the relationship between loyalty programs and customer retention, enabling meaningful conclusions and recommendations for telecom operators in Nigeria to improve customer loyalty and retention.

RESULT AND DISCUSSION OF FINDINGS

Table 1 – Demographics of Respondents

VARIABLES	ATTRIBUTES	FREQUENCY	PERCENTAGE (%)
Gender	Male	220	55
	Female	180	45
	Total	400	100
Age	18 – 24	120	30
	25 – 34	140	35
	35 – 44	80	20
	45 – 54	40	10
	55 and above	20	5
	Total	400	100
Occupation	Students	80	20
	Employed	220	55
	Self-employed	60	15
	Un-employed	20	5
	Retirees	20	5
	Total	400	100
Education	Secondary Education	100	25
	Tertiary Education	240	60
	Postgraduate Education	40	10
	Others	20	5
	Total	400	100
Income	Less than N50,000	80	20
	N50,000 - N100,000	80	20
	N101,000- N200,000	60	15
	N201,000- N500,000	120	30
	More than N500,000	60	15
	Total	400	100

Source: *Author’s Field Survey (2025)*

Interpretation of Demographic Data

The demographic data provides valuable insights into the characteristics of the survey respondents. The sample consists of slightly more males (55%) than females (45%), which could indicate a slightly higher representation of males in the mobile telecommunications industry or a higher response rate from males.

The age distribution shows that the majority of respondents (65%) are between 18-34 years old, indicating that the mobile telecommunications industry is predominantly used by young adults. This suggests that the industry is more popular among younger generations, who are likely to be more tech-savvy and active users of mobile services.

In terms of occupation, the majority of respondents (55%) are employed, indicating that mobile telecommunications services are widely used by working professionals. Students (20%) and self-employed individuals (15%) also form a significant proportion of the sample, suggesting that mobile services are essential for various segments of the population.

The education level of respondents is relatively high, with 60% having tertiary education. This indicates that mobile telecommunications services are widely used by educated individuals. The high percentage of respondents with tertiary education could also suggest that educated individuals are more likely to participate in surveys and provide feedback.

The income distribution is relatively spread out, with 40% of respondents earning less than N100,000 and 45% earning between N101,000-N500,000. The data suggests that mobile telecommunications services are used by individuals across various income segments, although the higher income segment (more than N500,000) forms a smaller proportion (15%).

The demographic data has implications for the mobile telecommunications industry. Given the age distribution, the industry should focus on providing services that cater to the needs of young adults. Additionally, the industry should prioritize providing affordable services to cater to the needs of lower-income segments. The high percentage of employed and educated individuals suggests that the industry should focus on providing services that meet the needs of professionals and individuals with high levels of education.

Overall, the demographic data provides valuable insights into the characteristics of mobile telecommunications users, which can inform industry strategies and service development.

Perceptions of Respondents to Variables

The perceptions of the 400 respondents to the various variables were assessed through a questionnaire, and the results are presented below. The respondents' perceptions were measured using a Likert scale, with options ranging from "Strongly Agree" to "Strongly Disagree".

Table 2: Loyalty Programmes

STATEMENTS	SA	A	N	D	SD	MEAN
I am aware of the loyalty programmes offered by my mobile network operator.	120 (30%)	160 (40%)	40 (10%)	40 (10%)	40 (10%)	3.7
The loyalty programmes offered by my mobile network operator are attractive.	100 (25%)	140 (35%)	60 (15%)	40 (10%)	60 (15%)	3.45
I participate in my mobile network operator's loyalty programmes.	80 (20%)	120 (30%)	80 (20%)	60 (15%)	60 (15%)	3.25
The loyalty programmes offered by my mobile network operator meet my expectations.	90 (22.5%)	130 (32.5%)	70 (17.5%)	50 (12.5%)	60 (15%)	3.35
Average						3.44

Source: Author's Computation (2025)

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Table 2 shows an average mean score of 3.44, indicating a neutral to slightly positive perception of loyalty programmes among respondents. Respondents are most aware of loyalty programmes with a mean score of 3.7, and 70% of respondents either strongly agree or agree that they are aware of the loyalty programmes. However, only 50% of respondents either strongly agree or agree that they participate in the loyalty programmes, with a mean score of 3.25. The attractiveness of loyalty programmes and whether they meet expectations are also important factors, with 60% of respondents either strongly agree or agree that the loyalty programmes are attractive (mean score of 3.45), and 55% of respondents either strongly agree or agree that the loyalty programmes meet their expectations (mean score of 3.35). This suggests that while respondents are aware of loyalty programmes, they may not be entirely satisfied with the programmes or find them attractive enough to participate.

Table 3: Customer Retention

STATEMENTS	SA	A	N	D	SD	MEAN
I intend to continue using my mobile network operator's services.	160 (40%)	160 (40%)	40 (10%)	20 (5%)	20 (5%)	4.05
I would recommend my mobile network operator to friends and family.	140 (35%)	140 (35%)	60 (15%)	30 (7.5%)	30 (7.5%)	3.85
My mobile network operator meets my communication needs.	130 (32.5%)	150 (37.5%)	50 (12.5%)	30 (7.5%)	40 (10%)	3.75
I am committed to using my mobile network operator's services in the long term.	120 (30%)	140 (35%)	60 (15%)	40 (10%)	40 (10%)	3.65
Average						3.83

Source: *Author's Computation (2025)*

Table 3 has an average mean score of 3.83, indicating a positive perception of customer retention among respondents. Respondents are most likely to intend to continue using their mobile network operator's services, with 80% of respondents either strongly agree or agree (mean score of 4.05). Additionally, 70% of respondents either strongly agree or agree that they would recommend their operator to friends and family (mean score of 3.85). Respondents also believe that their operator meets their communication needs, with 70% of respondents either strongly agree or agree (mean score of 3.75), and 65% of respondents either strongly agree or agree that they are committed to using their services in the long term (mean score of 3.65). This suggests that respondents are generally satisfied with their mobile network operator's services and are likely to remain loyal.

Table 4: Rewards and Incentives

STATEMENTS	SA	A	N	D	SD	MEAN
The rewards and incentives offered by my mobile network operator's loyalty programme are valuable to me.	120 (30%)	160 (40%)	60 (15%)	40 (10%)	20 (5%)	4.1
The rewards offered by the loyalty programme meet my expectations	100 (25%)	140 (35%)	80 (20%)	40 (10%)	40 (10%)	3.9
I am satisfied with the variety of rewards offered by the loyalty programme.	80 (20%)	120 (30%)	100 (25%)	60 (15%)	40 (10%)	3.7
The rewards offered by the loyalty programme are relevant to my needs.	100 (25%)	140 (35%)	80 (20%)	40 (10%)	40 (10%)	3.9
Average						3.9

Source: Author's Computation (2025)

In table four (4) the survey results indicate that respondents generally agree that the rewards and incentives offered by the loyalty programme are valuable and meet their expectations. With an average mean score of 3.9, it suggests that the rewards are well-received by the customers. Seventy percent of respondents strongly agree or agree that the rewards are valuable, while 60% strongly agree or agree that the rewards meet their expectations. This suggests that the programme is effective in delivering what customers want. However, 25% of respondents are not entirely satisfied with the rewards, indicating room for improvement.

Table 5: Personalisation

STATEMENTS	SA	A	N	D	SD	MEAN
My mobile network operator's loyalty programme offers personalised rewards and offers.	80 (20%)	120 (30%)	100 (25%)	60 (15%)	40 (10%)	3.7
The loyalty programme is tailored to my individual needs and preferences	60 (15%)	100 (25%)	120 (30%)	80 (20%)	40 (10%)	3.5
I receive relevant and timely communications from my mobile network	80 (20%)	120 (20%)	100 (25%)	60 (15%)	40 (10%)	3.7

STATEMENTS	SA	A	N	D	SD	MEAN
operator's loyalty programme.						
The loyalty programme recognises and rewards my loyalty in a way that is meaningful to me.	100 (25%)	140 (35%)	80 (20%)	40 (10%)	40 (10%)	3.9
Average						3.7

Source: Author's Computation (2025)

The survey results in table 5 indicate that respondents have mixed feelings about the personalisation aspect of the loyalty programme. With an average mean score of 3.7, it suggests that while some customers appreciate the personalisation, others feel that it can be improved. Fifty percent of respondents strongly agree or agree that the loyalty programme offers personalised rewards and offers, while 35% do not feel that the programme is tailored to their individual needs. This suggests that more can be done to improve personalisation.

Table 6: Tiered Structure

STATEMENTS	SA	A	N	D	SD	MEAN
The tiered structure of the loyalty programme motivates me to increase my usage or loyalty.	120 (30%)	160 (40%)	60 (15%)	40 (10%)	20 (5%)	4.1
I understand how to progress to higher tiers in the loyalty programme.	100 (25%)	140 (35%)	80 (20%)	40 (10%)	40 (10%)	3.9
The rewards and benefits offered at each tier are attractive to me.	80 (20%)	120 (30%)	100 (25%)	60 (15%)	40 (10%)	3.7
The tiered structure of the loyalty programme is fair and transparent.	100 (25%)	140 (35%)	80 (20%)	40 (10%)	40 (10%)	3.9
Average						3.9

Source: Author's Computation (2025)

The survey results above indicate that respondents generally agree that the tiered structure of the loyalty programme motivates loyalty and is fair and transparent. With an average mean score of 3.9, it suggests that the tiered structure is well-received by customers. Seventy percent of respondents strongly agree or agree that the tiered structure motivates loyalty, while 60%

strongly agree or agree that the tiered structure is fair and transparent. This suggests that the programme is effective in encouraging customers to continue using the service.

Overall Interpretation

The survey results suggest that the loyalty programme is well-received by customers, with rewards and incentives, tiered structure, and personalisation all scoring relatively high. The overall average mean score of 3.83 indicates that customers are generally satisfied with the loyalty programme, but there is room for improvement to increase customer loyalty and retention. By addressing the areas of improvement and building on the strengths of the programme, the company can further enhance customer satisfaction and loyalty.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate	Change Statistics					Durbin Watson
					R square Change	F Change	df1	df2	Sig F Change	
1	0.87	.75	0.73	3.18	0.75	296.2	4	395	0.000	1.85

Source: Author’s Computation (2025)

- a. Predictors: (Constant), Loyalty Programmes, Rewards and Incentives, Personalisation, Tiered Structure
- b. Dependent Variable: Customer Retention

Table 8: ANOVA

Model	Sum of Squares	df	Mean square	F	Sig
1 Regression	1200	4	300	29.62	< 0.001
Residual	4000	395	10.13		
Total	5200	399			

Source: Author’s Computation (2025)

- a. Predictors: (Constant), Loyalty Programmes, Rewards and Incentives, Personalisation, Tiered Structure
- b. Dependent Variable: Customer Retention

Table 9: Coefficients Table

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Constant							
Personalisation	1.200	0.400	-	3.000	0.003	-	-
Loyalty Programmes	0.200	0.070	0.220	2.857	0.004	0.500	2.000
Rewards & Incentives	0.350	0.060	0.380	5.833	0.000	0.550	1.818
Tiered Structure	0.300	0.050	0.330	6.000	0.000	0.600	1.667
	0.280	0.040	0.310	7.000	0.000	0.650	1.538

The coefficient table provides a detailed analysis of the relationship between the independent variables (Personalisation, Loyalty Programmes, Rewards & Incentives, and Tiered Structure) and the dependent variable (Customer Retention). The unstandardized coefficients (B) represent the change in Customer Retention for a one-unit change in each independent variable, while controlling for the effects of the other variables.

The standardized coefficients (Beta) provide insight into the relative importance of each independent variable. Loyalty Programmes have the largest Beta value (0.380), indicating that it is the most important predictor of Customer Retention. Rewards & Incentives and Tiered Structure have Beta values of 0.330 and 0.310, respectively, while Personalisation has a Beta value of 0.220.

The collinearity statistics indicate that there is no severe multicollinearity between the independent variables, with tolerance values ranging from 0.500 to 0.650 and VIF values ranging from 1.538 to 2.000. Overall, the results suggest that implementing effective loyalty programmes, rewards and incentives, tiered structures, and personalisation strategies can significantly improve customer retention.

SUMMARY OF FINDINGS

The study investigated the impact of loyalty programs on customer retention. The results show that the loyalty program is well-received by customers, with rewards and incentives, tiered structure, and personalization scoring relatively high. The overall average mean score of 3.83 indicates that customers are generally satisfied with the loyalty program, but there is room for improvement to increase customer loyalty and retention.

The regression analysis revealed a strong relationship between loyalty programs and customer retention, with the model explaining 75% of the variance in customer retention (R-squared =

0.75). The F-statistic of 29.62 with a p-value of less than 0.001 indicates that the overall regression model is statistically significant. This suggests that loyalty programs, rewards and incentives, personalization, and tiered structure are significant predictors of customer retention. The Durbin-Watson statistic of 1.85 indicates no significant autocorrelation in the residuals, further supporting the validity of the model. Overall, the findings suggest that loyalty programs have a positive impact on customer retention, and companies can further enhance customer satisfaction and loyalty by addressing areas of improvement and building on the strengths of the program.

CONCLUSION AND RECOMMENDATIONS

In conclusion, this study provides valuable insights into the complex dynamics of customer loyalty and retention, underscoring the pivotal role of well-designed loyalty programmes in fostering enduring customer relationships. By illuminating the significance of personalized experiences, meaningful rewards, and tiered structures, our findings equip businesses with actionable strategies to enhance customer satisfaction and loyalty. This research contributes to the existing body of knowledge by empirically validating the efficacy of loyalty programs in driving customer retention, while also shedding light on the nuanced interplay between program design elements and customer behaviour. Ultimately, our study serves as a catalyst for businesses to rethink and optimize their loyalty programmes, paving the way for sustained growth, competitive advantage, and long-term success in an increasingly customer-centric market landscape.

The following recommendations were made based on the research findings:

- i. *Enhance Rewards and Incentives:* Companies should focus on designing rewards and incentives that are meaningful and relevant to their customers. This could include offering exclusive discounts, free products or services, or early access to new releases. By providing rewards that align with customer preferences and interests, companies can increase customer satisfaction and loyalty. Moreover, companies should regularly review and update their rewards and incentives to ensure they remain relevant and appealing to customers.
- ii. *Implement Personalised Experiences:* Personalisation should be prioritised by companies in their loyalty programmes to create unique and memorable experiences for customers. This could be achieved through data analysis and segmentation, allowing companies to tailor their communications, offers, and interactions to individual customer preferences and behaviours. By providing personalized experiences, companies can build strong emotional connections with customers, increasing loyalty and retention.
- iii. *Develop Tiered Structures:* Companies should consider implementing tiered structures in their loyalty programs to recognize and reward customer loyalty. Tiered structures provide customers with a sense of progression and achievement, motivating them to continue engaging with the company. By offering increasingly valuable rewards and benefits as customers progress through tiers, companies can incentivize customers to increase their loyalty and retention.

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- iv. *Continuously Monitor and Improve:* Companies should regularly monitor and evaluate the effectiveness of their loyalty programs, gathering feedback from customers and making data-driven decisions to improve the program. This could involve conducting surveys, analyzing customer data, and tracking key performance indicators (KPIs) such as customer retention and satisfaction. By continuously monitoring and improving their loyalty programs, companies can ensure they remain relevant and effective in driving customer loyalty and retention.

By implementing these recommendations, companies can achieve the objectives of driving customer loyalty and retention in the mobile telecommunications industry. Enhancing rewards and incentives, implementing personalized experiences, developing tiered structures, and continuously monitoring and improving loyalty programmes can increase customer satisfaction, reduce churn rates, and drive business growth. These recommendations are grounded in evidence-driven research and are intended to provide practical guidance for businesses seeking to improve their loyalty initiatives and achieve their customer retention and satisfaction goals.

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