

*The customers unloyalty factors in the Algerian mobile telephony market*Yacine Benomier ^{1*}, Omar Sekhri ²¹ FSECG, Algiers 3 university (Algeria), yacine_benomier@hotmail.com² FSECG, Algiers 3 university (Algeria), Sekhri.amar@gmail.com

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Abstract:

In a market known by a wild competition, the analysis of the loyalty concept becomes increasingly difficult, caused by the increased number of the promotional actions influencing the customers behavior in the Algerian mobile telephony market. This research is aims to analyze the unloyalty factors by analyzing the profile of a multi-owner through the identification of the most reasons of this behavior. To answer all these interrogations, a survey was carried out near 2000 customers representing the three operators: Djezzy; Mobilis and Ooredoo. The examination of the different responses leads us to confirm that the behavior of unloyalty is becoming a rule in this market resulting from the weakness of the change barriers between operators and the fierce competition multiplying the number of free sales promotional offers.

Keywords: *loyalty, unloyalty, multi-possession, sales promotion, telephony mobile.*

Jel Classification Codes: *L1, D41.*

I. INTRODUCTION

The current market of mobile telephony in Algeria knows its last times a hard competition targeting all the types of consumers undertaken and residential where the solutions prepaid account for 70% of the offers sold against 30% for postpaid.

This last report illustrates the reality of the consumer which wants to base his decision of the consumption on the freedom of the choice and of engagement that oblige us to exclude the postpaid customers in studying the loyalty behavior. Analyzing the last report of 2022 of the national office of the statistics in Algeria (ONS, stat report, 2022)", the Unemployed population is estimated at 7.072.000 people, that is to say a rate of unemployment of 10,2% which touches mainly the young people. Indeed, nearly three unemployed out of four (73,4%) are old less than 30 years, and 86,7% do not exceed 35 years.

* *Corresponding author*

Consequently, and following the limit of income noted in the young people, this last segment is seen fascinating more and more by the free offers to satisfy their pleasure of communication towards their entourage of with dimensions and to ensure the continuity of their abstract activity which ensures most of their incomes. This last situation caused a phenomenon of opportunism and multi-possession or multi-fidelity even inaccuracy in the consumers, which lets to us wonder about the following question: **The unloyalty of customers can be considered as a rule for the mobile telephony market in Algeria?**

These problems required to deeply understand this behavior of multi-possession or unloyalty through the identification of the factors of unloyalty by analyzing the customer's multi-owners behavior. Then, we will approach the reasons of churn customers (defection) between the operators, selection the criteria, the variables of satisfaction and dissatisfaction of a customer towards a given sim-card. Lastly, we will finish our analysis by the recapitulation of principal waitings of the customers towards an operator. In the need for determining the loyalty behavior of the Algerian customer in this market, an investigation of multi-possession is necessary to answer the following questions:

- 1) What are the main factors of loyalty in this market?
- 2) What are the reasons of customer's defection between the three operators?

In order to answer objectively these interrogations, treat it within a holy scientific framework, this research is based beforehand on the following assumptions:

H1: The Algerian customer adopts a passive loyalty behavior with his old operator to conserve his phone number shared with old friends.

H2: the multi-possession in Algeria is due mainly to the increased number of free sales promotions launched continuously by the three operators of the telephony mobile market.

This study aims to define the main factors leading a customer of telephony mobile to get more than one sim-card, i.e, having an unloyalty behavior against the three operators of telephony mobile in Algeria.

II. LITERATURE REVIEW

2.1. Previous studies

The three operators of mobile telephony evolve in an increased competition context in Algeria, which had with the maturity of the market recording a rate of penetration of 86% according to the annual report of the ARPT in January 2022¹.

These companies adapt to the renewal of the forms of competition associated with launching with the offers with retention with the existing customers. In addition, the consumer becomes a customer more and more informed, informed and active in his purchases due to the accessibility to information via the media and the Internet. For all these reasons, the experts and the researchers in marketing mobilize themselves on the value which represents the customer and the quality of the relation, under CRM, customer relationship management, primarily aiming at increasing its fidelity, condition recognized of the survival of the company according to (Reichheld 1990, 1996, p : 13).

1: ARPT : regulation agency of post and telecom

The actions carried out by the operators in order to increase the loyalty of the customers in the various forms of direct marketing also multiply because of the increasing disaffection of the companies with respect to the media, not very generating of tangible returns, and the development of the technological possibilities to address itself personally to a great number of individuals, thus taking again the techniques tested in the business connections.

According to (Seneshal 2006, p: 43) , (Roux 2005, p: 12), the awakening of the importance in the trade of values other than the strict economic interest of the partners is also integrated in the current concern of the social responsibility for the operators and the emergence of behavior resistance on behalf of the consumers. Among the various actions of CRM, the programs of customer loyalty occupy a privileged place, taking multiple forms in various names since the specific promotional actions with integration a sophisticated programs (IMTIYAZ for Djezzy, Nodjom de Ooredoo and Fidelis for Mobilis).

According to (Dubois and Jolibert 1992, p: 23-57), these programs show the interest carried to the customer in connection with the brand image which the company wishes to give of itself to found an emotional tie between the mark and the customer although they generate important costs, on which the companies await significant returns. This report is the proof that the term covers a powerful and confused myth in our company, which shows the recourse to emotional, half-compartment of reality. It touches multiple representations in our company, i.e. a coherent whole with its own logic, such as for example, in the telephony mobile sector where the customer can own different sim-card, to maximize his profits from the promotional offers launched continuously by the three operators.

2.2. Conceptualization of loyalty

The definition of the concept of fidelity, elaborated in philosophy, can undoubtedly also apply to marketing. It underlies a structure of temporality and a structure of freedom, it is a kind of tacit engagement of which it can be an engagement with respect to its own beliefs and attitudes which a real engagement towards the object a such mark, a product, a sign or a supplier.

The origin of the fidelity term from a semantic point of view, its Latin root "*fides*" (D.GRIE, 2002, P : 26) which means "*faith*" underlies an idea of confidence or more exactly a durable engagement of the confidence which expresses all forms of loyalty. The faith implies in this direction a mutual and bidirectional recognition between the people, the consumer and his supplier even his brand mark. By definition, loyalty is the relation of confidence which a consumer can have with a company, a brand mark or a product. The modern emergence of the concept of fidelity is the result of a slow evolution of the practice of the companies and university research.

loyalty as the following way: "*loyalty is defined like a skewed behavioral answer nonrandom bus (non spontaneous) expressed in time by an entity of decision, considering one or more marks taken in a unit, according to a decision-making process*"(Jacoby and Kyner, 1973, p: 14). In this definition, fidelity requires initially, a behavior of repeated purchase resulting from several antecedents and variables which are mutually complementary (three or four successive purchases are generally allowed to qualify a faithful behavior but discontinuous periods of purchase and non-purchase can coexist without to speak about unloyalty and in second place, a positive attitude of the consumer who must be able to be controlled or directed. This attitude reveals a favorable perception with respect to the sign, of the mark or the product, differentiating in that fidelity from the behavior creature of habit.

For other authors loyalty is anchored on delivered quality and the positive variation perceived between waitings and the post-purchase evaluation. For others, loyalty comes to the consumer when the efforts to change brand mark, product or supplier are too important to be able to hope for a significant profit of the change (Shapiro and Varian 1999, p : 352). The authors of this current try to explain loyalty by “*barriers at the exit*” or barriers with the change which prevent to some extent the free choice of the consumer (a customer can be regarded as loyal to a sign only because this one shows characteristics of geographical proximity). Another current of thoughts on the development of customer loyalty is that which gave rise to the customer relationship management (CRM) with the emergence of the ideas of “*Life Time Value*”. This one has the aim of analyzing the value of the customer at the same time by his current contribution but also on the basis of its potentiality in order to as well as possible allocate the entrepreneurial resources. As for the unloyalty, we notice that the direction of engagement opposes to a mark following an attraction towards one or more new experiments, being able to be the result of the disappointments generated by such experiments to reinforce attraction towards the initial object. Unloyalty is the case of the multi-possession of which a consumer distributed his purchases on various marks and signs in a way reasoned or impulsive, continuously or occasionally according to the availability of the mark and its degrees of influences by the various choices that competition proposes.

2.3. Customer loyalty and sales promotion

By definition sales promotion is association to a product a temporary advantage intended to facilitate or stimulate its purchase, its use and/or its distribution (LENDREVIE. al, 2003, p: 603). The evoked paradox corresponds in fact to a clear marketing strategy whose objective is to modify the behavior of the consumers favorably. It is at the same time a question of making increase the frequencies of purchase, the value of the average baskets and of decreasing the escapes in favor of the competitors.

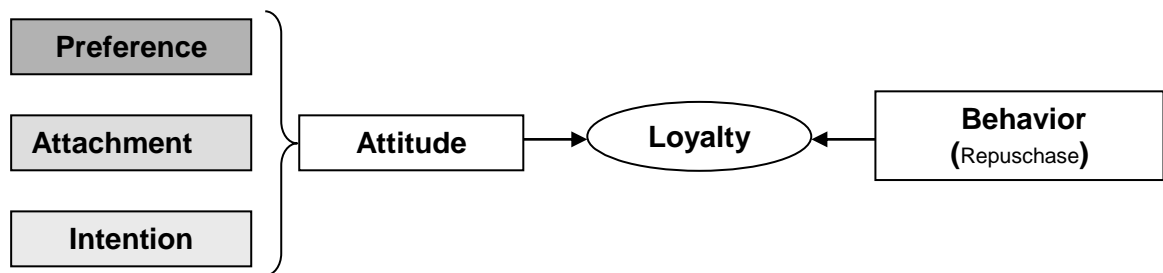
Table N°1. customer loyalty versus sales promotion

Designation	consumer lotalty	Sales promotion
<i>Time objective</i>	Long term	short term
<i>Target</i>	Small target "only profitable customers"	all customers
<i>Objective</i>	Share market protection	Conquest of new market share
<i>Strategy</i>	Defensive	Offensive

Source : LENDREVIE. al, Mercator, 2003, p : 603.

Sales promotion can, in itself, be a factor of loyalty. Indeed, sales promotions are often used by already faithful customer, simply because they know already the mark or the sign (they consider that 80% of the users of a promotion on a product already bought this product in the past). To promote a product temporarily is thus also a manner of short term loyalty. Loyalty comprises a very strong behavioral dimension in the determination of the stimuli of the purchase of a mark compared to another as shown in the figure in below:

Fig. N°1. Marketing loyalty dimensions



Source : LENDREVIE. al, opcit, p : 929.

Analyzing the last figure, we can notice that the loyalty classification should be divided into a passive and an active loyalty. *The Passive loyalty* is that which results from environment factors of consumption summarized in the following points:

- The inertia or often known by the routine to supply itself near a supplier with dimensions without breaking the head too much to seek more satisfactory solutions and products.
- The perceived risk which lets the customer fear to make a bad choice elsewhere by changing the mark and the current supplier.
- Miss choice or alternatives on the market.

One could refer to these unstable factors in our design of loyalty, but for the company, it is necessary that it is attentive to profit from it, which leaves him a competitive advantage limited in time and the means of raising these barriers with the change because competition is increased and able to currently attract the customers considered to be faithful.

The Active loyalty, contrary, is that based on a conviction, of a perfect knowledge of its of consumption environment and of a true cognitive and emotional attachment of a customer to a given mark in a durable way likely to resist the influences of the competitors and the change of the environment. This type of loyalty is the hoped purpose of any strategy of development of consumer loyalty that the company seeks to maintain among their customers while acting on the factors which contribute to loyalty.

2.4. The importance of loyalty

(Frederick Reichheld, 1996, p: 45) defines the customer loyalty like the principal factor of the success or the failure of the company regarding the following arguments:

- It is less expensive to preserve a customer instead of conquering a new customer who knows neither the product nor the values of the company marketing it what presents a high cost of prospection, advertising and communication.
- The loyals customers are sometimes more profitable than the occasional customers what explains the increase in the volume of purchase of the customers by knowing and appreciating more and more the products and the policy of the company.
- The loyals customers are for the company a pledge of stability of the incomes the fact that these customers are less sensitive to the promotional offers of the competitors of with

dimensions and they are less inclined than the recent or occasional customers to give up the company in the event of crises.

- The loyal customers are the source of a mouth with ear positive through recommendations of purchase near their entourage what return them through the time of the ambassadors of the mark and the company spontaneously and voluntarily.

2.5. The loyalty factors

According to the design of the previous years, the analysis of the consumer behavior authorized a simple equation in the determination of the loyalty factors of which they were limited only on the factor of satisfaction. That was the subject of several studies which through its results, one noted that in spite of the satisfaction of the customer with respect to a mark but its curiosity and its need to break the routine, it always seeks innovation near the other competitors even if that proposes a risk to be unsatisfied (J.M.LEHU, 1999 , p: 85-90). Through this report, he proposes the following twelve most generating factors of loyalty :

- a) Perceived quality of the product: it is about quality evaluated through the frequency of consumption of the customers and through subjective perceptions and or objective of the entourage of consumption.
- b) Relative price of the product: its evaluation is based on a profit relationship/loss of purchasing power, of easy terms and especially on a comparison between the prices of the competing products.
- c) Nature of the attached services: where the evaluation of the commercial proposal is done through the panoply of associated with the sale with the good, such speed of delivery, council to the use, installation of equipment, service after sale, and the speed of the treatment of the complaints.
- d) Notoriety of the product and the mark.
- e) Image of the sector: it is often evaluated through the protection measures of the environment of the consumer and the application of the rules of ethics and green industry.
- f) Specific image of the product and the mark.
- g) Preceding knowledge and experiments.
- h) The certification and the standardization of the products and the company.
- i) Relevance and perceived risk which influences the decision of purchase at the time of need.
- j) Quality of the point of sale as regards the competence and availability of the salesmen, the environment of spaces of sale, the schedules of opening.
- k) Moment of the need: who relates to the conditions of appearance of the need, which it is about a reasoned purchase, an impulse of purchase or a response to a promotional offer limited in quantity available and time availability.
- l) Time devoted to the purchase: often combined through time necessary to acquire the product and the formalities of delivery.

III. THE EMPIRICAL STUDY

3.1. Methodology of the study

In order to analyze the loyalty dilemma for Algerian telephony mobile, our study aim to confirm or to cancel these assumptions. First of all, we will adopt a descriptive step based on theoretical concepts aiming to conceptualize the concept of loyalty, development of consumer loyalty, satisfaction, churn (defection or departure) and of multi-possession. Then, we will call upon analytical tools of a qualitative nature aiming to analyze the behavior of multi-possession of the Algerian consumer. For this purpose, we find the need for calling upon a study aiming at peeling the reasons of this behavior while trying to determine waitings of the consumers towards a given operator. The first objective of this study is to provide a response to the passivity loyalty in certain customers by identifying customers multi-owners profile, the reasons of defection between operators, the selection criteria, satisfaction and dissatisfaction towards a given sim-card and finally, waitings of the customers.

In this investigation, we will call upon the sampling procedure where we will manage a questionnaire with a selected random sample of the community of students and employees of the central faculty of Algiers, university in Algeria. Basing on this random choice, our sample is composed of 2000 customers of which administration of the questionnaire was done in a two working days operation on the level of faculty by calling upon 20 voluntary investigating students treating 100 customers per investigator. The examination of the answers was done through a statistical software of treatment SPSS.

The data-gathering led us to divide our base of sample on the three operators as follow : 722 customers of the Djezzy operator; 613 customers of the Mobilis operator and 655 customers of Ooredoo operator. The analysis of the responses collected from 2000 surveyed customers is illustrated clearly in the following table. Rejecting 10 paradoxal responses of the whole distributed questionnaires, the unloyalty behavior is analyzed with the multi-possession indicator (multi-possession means that one customer can have different Sim-cards for different operators).

Table N°2. unloyalty responses of 2000 customers

Customer		Unloyalty for mobile offer		
Djezzy	Djezzy Prepaid	Multi-possession	621	86%
	Djezzy Postpaid	Multi-possession	101	14%
		Total	722	100%
Mobilis	Mobilis Prepaid	Multi-possession	472	77%
	Mobilis Postpaid	Multipossession	141	23%
		Total	613	100%
Ooredoo	Ooredoo Prepaid	Multi-possession	373	57%
	Ooredoo Postpaid	Multi-possession	282	43%
		Total	655	100%

Source : personal analysis based on SPSS cross table

3.2. Discussion of results

By analyzing the rates of multi-possession of the investigations, having noted that

- 86% of the customers of Djezzy prepaid judged the utility to have another sim-card;
- 77% of the customers of Mobilis prepaid judged the utility to have another sim-card;
- 57% of the customers of Ooredoo prepaid judged the utility to have another sim-card.

These results are explained continuation reasons recapitulated in the two tables according to :

Table N° 3. The selection criteria of an additional sim-card

The reasons to purchase a new sim-card	Customers	
	Number	%
To test it	92	30%
Because the offer attracted me	47	16%
For promotions which it offered	33	11%
For the quality of cover network	29	10%
For the price of the communications national and international	26	9%
Because it was recommended to me	10	3%
For its public image	10	3%
For the multi-media service which it offered (ms, Internet, WAP....)	10	3%
For the options and services (double calls, MV, DC, 3G....)	6	2%
Because my entourage had the same Offer	5	2%
It was offered to me	4	1%
For the customer service on the level of space service of the operator	3	1%
I liked the number much	2	1%
For the purchase price of the chip	2	1%
For the free minutes offered	2	1%

Source : personal analysis based on SPSS cross table

Indeed, the customers giving up their sim-cards confirm their weak attachment with their old operators, which lets to them think of seeking better offers elsewhere. The analysis of the data extracted from this investigation lead us to confirm that:

- 34% of the 30% of the customers giving up Ooredoo moved towards Djezzy of and 28% towards Mobilis of which 60% state not to have used a sim-card front.
- 67% of the customers Djezzy and Mobilis never thought of using a Ooredoo sim-card following the influence of their entourage adopting the idea that the best sim-card is that the most held by consumers.

- 72% of the Ooredoo customers give up only one sim-card of competition, however, 86% of the Djezzy customers and 72% Mobilis customers have stated to have left only one Ooredoo sim-card for more than 6 months.
- The most important reason for the defection between operators is the loss of their sim-card and not to have a contract to recover them. That explains the difficulty of recovery following the requirement of a declaration of loss obligatorily delivered of the services of the gendarmerie or the police force.
- We note that the customers of Mobilis are multi-owners of 45% compared to 31% for the customers of Djezzy and this following the image of the official operator synonymous with the mediocrity of the services and the procedural bureaucracy according to statements' of 71% questioned customers.
- The multi-possession is the consequence of wanting to benefit from the promotions launched by the others operators and to adapt themselves to another advantage offered by the competitor.

IV. CONCLUSION

During the twenty previous years, our telephone knew an outstanding revolution of the industry of Telecom in Algeria. However per hour when new communication and information technologies are in full rise, mobile telephony does not escape the rule from the progress and the mass production.

The expansion of the mobile cellular communications was even spectacular. The number of subscribers passed from 2,5 million only in 2001 by the presence of three operators Mobilis, Djezzy and Ooredoo on the market, with more than 44 million today. Consequently, and in a hard competing context, the three operators of mobile more think of defending their own wallet of customers, rather than to conquer new prospective customers. In the second place, the development of customers loyalty of the existing customers would cost much less expensive than the recruitment of new customers.

For this purpose, the development of consumer loyalty starts with the recognition of the right to the customer unloyalty. In all the branches of industry open to a wild competition, the customers have today the choice between several suppliers. According to circumstances, the consumer can have a preference for a person receiving benefits other than his usual supplier. The fact that the customer tests a product or a service of a concurrent mark represents a quality ratio/higher price. However, the occasional purchase of a product of another brand mark should not be regarded as an inaccuracy. It is necessary that the company learns how to recognize this right to the free will from the customer.

By analyzing the asking results, we can cancel the first H1 assumption following the multi-possession or the unloyalty of the customers represented by a rate of 45% for the Mobilis customers, 31% for the Djezzy customers and a rate of 57% for the Ooredoo customers. In fact, we confirm that *the unloyalty of the Algerian consumer is currently a rule* because the barriers of change from an operator to an another are even negligible remainder very weak according to 84% of the surveyed consumers, and continuation mainly with the current vulgarizing of the offers by the number increased of the promotional actions associated the basic offers according to 91% of the customers which confirms the assumption H2.

Finally, the advertising actions launched continuously by the three operators are emblematic paradoxical character, that wants to say that the individual needs more and more consideration and a personalized treatment.

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