

Competitive Strategies and Customer Loyalty in the Telecommunications Sector: Evidence from Movitel in Nampula City, Mozambique

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Publication Date: 2026/04/07

Abstract: This study examines the influence of competitive strategies on customer loyalty in the telecommunications sector, focusing on Movitel customers in Nampula City, Mozambique. In an increasingly competitive market, telecommunications companies are expected not only to attract customers through pricing strategies, but also to retain them through service quality, customer relationship management, and effective communication. The main objective of the study was to analyze how Movitel's competitive strategies affect customer loyalty. A mixed-methods approach was adopted, combining quantitative and qualitative techniques. Quantitative data were collected through a structured questionnaire administered to 120 customers, while qualitative data were obtained through semi-structured interviews with company employees and document analysis. Quantitative data were analyzed using descriptive statistics, and qualitative data were interpreted through content analysis. The findings show that affordable pricing remains a major factor in attracting and retaining customers. However, customer loyalty is not determined by price alone. Service quality, network stability, customer care, complaint handling, and relationship management practices also play a significant role in shaping customer satisfaction and continued patronage. The study further reveals that loyalty is still largely functional and economically driven, rather than deeply emotional or relational. It concludes that sustainable customer loyalty in the telecommunications sector depends on a combination of competitive pricing, perceived service quality, and structured customer relationship management. The study recommends that Movitel strengthen its service quality, customer support systems, and differentiated relationship strategies in order to build stronger and more durable customer loyalty.

Keywords: *Competitive Strategies; Customer Loyalty; Customer Relationship Management; Movitel.*

How to Cite: Elidio Oscar Rosa Rodrigues; Doutora Vanusa Patrícia Bruno de Morais Freitas (2026) Competitive Strategies and Customer Loyalty in the Telecommunications Sector: Evidence from Movitel in Nampula City, Mozambique. *International Journal of Innovative Science and Research Technology*, 11(3), 3477-3484. <https://doi.org/10.38124/ijisrt/26mar1497>

I. INTRODUCTION

The telecommunications sector has become one of the most dynamic and competitive service industries in both developed and emerging economies. In this environment, firms are required not only to attract new customers but also to retain existing ones through effective competitive strategies, service quality, and relationship-building practices. As competition intensifies, customer loyalty becomes a critical strategic asset because it contributes to revenue stability, customer retention, and long-term market sustainability.

In Mozambique, the telecommunications market has experienced significant growth over the past decade, driven by the expansion of mobile services, increased access to internet-

based communication, and the growing use of digital technologies in everyday life. Major operators compete through pricing strategies, network coverage, promotional campaigns, service innovations, and customer care practices. Within this context, Movitel has established itself as an important player, especially through its broad territorial coverage and relatively accessible service packages. However, in a market where customers can easily switch between operators, the mere availability of affordable prices may not be sufficient to ensure durable loyalty.

The relationship between competitive strategies and customer loyalty has been widely discussed in the literature. Porter (1980) argues that firms achieve competitive advantage through strategies such as cost leadership, differentiation, and

focus. In service sectors, however, these strategies are closely linked to customer perceptions of value, quality, and satisfaction.

Despite the relevance of this topic, there is still limited empirical evidence on how customers in Mozambican cities perceive the relationship between competitive strategies and loyalty in the telecommunications sector. This gap is particularly important in urban contexts such as Nampula City, where competition among operators is visible and customer expectations are continuously evolving. Understanding how users evaluate price, service quality, communication, and relationship practices is therefore essential for assessing the sustainability of customer loyalty.

This study aims to analyze the influence of competitive strategies on customer loyalty, using Movitel customers in Nampula City as empirical evidence. Specifically, it examines how customers perceive the company's pricing policies, service quality, customer care, and relationship management practices, and how these factors affect their intention to remain, recommend, and maintain commitment to the operator.

The article is structured into five sections. Following this introduction, the second section reviews the main theoretical and empirical literature on competitive strategies and customer loyalty. The third section presents the methodology adopted in the study. The fourth section discusses the findings, integrating quantitative and qualitative evidence. The final section concludes the article by summarizing the main findings and presenting their practical and theoretical implications.

II. LITERATURE REVIEW

➤ *Competitive Strategies*

Competitive strategies refer to the set of actions firms adopt to achieve superior performance in relation to competitors. Porter (1980) identifies three generic strategies through which organizations can create competitive advantage: cost leadership, differentiation, and focus. Cost leadership aims at offering products or services at lower cost than competitors, differentiation seeks to provide unique attributes perceived as valuable by customers, and focus targets specific market segments with tailored offerings. In highly competitive service industries, these strategies shape customer perceptions of value and influence market positioning.

Later contributions expanded this perspective by emphasizing the role of internal resources and organizational capabilities. Barney (1991) argues that sustainable competitive advantage depends on valuable, rare, inimitable, and non-substitutable resources. Barney and Hesterly (2019) further explain that firms are more likely to maintain their advantage when they combine strategic positioning with internal

capabilities that competitors cannot easily replicate. In service-intensive sectors such as telecommunications, such capabilities include network infrastructure, service reliability, customer support systems, and relationship management.

In emerging markets, competitive strategies often rely heavily on pricing and market accessibility because consumers are highly sensitive to cost. However, relying only on low prices may create fragile advantages. Hitt, Ireland, and Hoskisson (2017) note that sustainable competitiveness increasingly depends on the ability to integrate efficiency, adaptability, innovation, and customer orientation. Therefore, telecommunications operators must go beyond price competition and invest in service quality, communication, and customer experience.

➤ *Service Quality and Customer Satisfaction*

Customer satisfaction is one of the most important outcomes of service evaluation. Kotler and Keller (2016) define satisfaction as the feeling resulting from the comparison between expected and perceived performance. Oliver (2015) further explains that satisfaction develops through customers' post-consumption judgment about whether a service meets or exceeds their expectations. In this sense, satisfaction is both cognitive and affective, since it involves rational assessment and emotional reaction.

In service industries, customer satisfaction is closely associated with perceived service quality. Parasuraman, Zeithaml, and Berry (1988) propose that service quality can be understood through dimensions such as reliability, responsiveness, assurance, empathy, and tangibles. These dimensions are particularly relevant in telecommunications, where customers assess not only the technical performance of the service but also the speed of support, clarity of information, and the handling of complaints.

Zeithaml (1988) argues that perceived value results from the balance between benefits received and costs incurred. Thus, even when prices are considered affordable, customers may become dissatisfied if service quality is unstable or inconsistent. Anderson, Fornell, and Lehmann (1994) show that customer satisfaction is positively associated with retention and profitability, reinforcing its strategic relevance. In telecommunications markets, satisfaction often depends on a combination of network coverage, internet stability, tariff transparency, and customer service.

➤ *Customer Relationship Management*

Customer Relationship Management (CRM) refers to a strategic approach through which firms develop, maintain, and strengthen long-term relationships with customers. Payne and Frow (2005) define CRM as an integrated strategy that combines people, processes, and technology in order to create customer value and improve organizational performance. Rather than focusing only on transactions, CRM emphasizes continuous interaction and relationship-building.

Winer (2001) explains that effective CRM depends on collecting and using customer information to support segmentation, communication, and service adaptation. Similarly, Kumar and Reinartz (2012) argue that customer relationship strategies should be based on customer value, allowing firms to identify, retain, and develop profitable customers over time. In service sectors, CRM becomes especially important because repeated interactions strongly influence loyalty.

Relationship marketing literature also highlights the role of trust, commitment, and communication in maintaining customer relationships. Ndubisi (2007) finds that customer loyalty is strengthened when firms demonstrate reliability, effective communication, and concern for customer needs. In the telecommunications sector, CRM practices may include customer support systems, complaint handling procedures, personalized communication, and promotional campaigns designed to retain users and reduce switching intentions.

➤ *Customer Loyalty*

Customer loyalty refers to a customer's willingness to continue using a service, recommend it to others, and maintain a favorable attitude toward the provider. Dick and Basu (1994) distinguish between behavioral loyalty and attitudinal loyalty. Behavioral loyalty is reflected in repeated purchase or continued use, while attitudinal loyalty involves commitment, trust, and preference. A customer may continue using a service without being strongly attached to the brand, especially in markets where switching costs or economic considerations are important.

Reichheld (1996) argues that loyalty is a major driver of long-term profitability because loyal customers are more likely to stay, recommend the firm, and generate recurring revenue. Oliver (2015) views loyalty as a progressive process that evolves from cognitive evaluation to emotional attachment and action-based commitment. This perspective suggests that sustainable loyalty goes beyond repeated use and depends on positive cumulative experiences.

Research also shows that loyalty is influenced by satisfaction, trust, service quality, and relationship management. Gustafsson, Johnson, and Roos (2005) demonstrate that commitment and relational quality significantly affect customer retention. Burnham, Frels, and Mahajan (2003) add that customers may sometimes remain with a provider because of switching costs rather than genuine commitment, which implies that not all retention reflects strong loyalty.

➤ *Empirical Perspective and Research Gap*

Empirical studies in telecommunications confirm that customer loyalty is shaped by multiple factors rather than by price alone. Ofori and Appiah-Nimo (2019), in the Ghanaian context, found that low pricing can attract customers, but long-term retention depends largely on service quality and customer

experience. Munyoki and Ngugi (2017) similarly show that competitive strategies influence customer satisfaction and loyalty when they are supported by quality service and customer-oriented practices.

In Southern African and Mozambican contexts, existing studies point to similar dynamics. Nhavoto (2022) and Alberto (2023) show that customers often evaluate telecom operators on the basis of price, network performance, and support services, but long-term loyalty remains unstable when service quality and relationship management are inconsistent. These findings suggest that customer loyalty in telecommunications, especially in emerging markets, often remains functional and price-driven rather than deeply relational.

Although the literature provides useful theoretical and empirical insights, there is still limited evidence focusing specifically on how customers in Nampula City perceive the link between competitive strategies and loyalty in relation to Movitel. This study addresses that gap by examining how price, service quality, customer care, and relationship management interact to influence customer loyalty in a specific urban Mozambican context.

III. METHODOLOGY

This study employed a mixed-methods research design to examine the influence of competitive strategies on customer loyalty in the telecommunications sector, focusing on Movitel customers in Nampula City, Mozambique. The choice of a mixed-methods approach was informed by the nature of the research problem, which required both numerical evidence about customer perceptions and interpretive evidence about internal organizational practices. According to Creswell (2014), mixed-methods research is appropriate when a study seeks to combine the strengths of quantitative and qualitative approaches in order to achieve a broader and more complete understanding of a phenomenon. In the present study, the quantitative component made it possible to measure customers' evaluations of price, service quality, communication, customer care, and loyalty, while the qualitative component helped explain how these dimensions were understood and managed within the company.

In terms of purpose, the study was primarily descriptive. It sought to describe how customers perceive Movitel's competitive strategies and how those perceptions relate to customer loyalty outcomes. At the same time, the research had an interpretive dimension because it aimed to understand the internal logic behind some of the company's practices and how those practices are linked to customer retention. Gil (2017) notes that descriptive research is particularly useful when the objective is to identify, record, analyze, and interpret the characteristics of a given population or phenomenon without manipulating it. This was consistent with the present study, which focused on customers' existing experiences and perceptions rather than on experimental intervention.

The empirical setting of the research was Movitel's service environment in Nampula City. Movitel is one of the major mobile telecommunications operators in Mozambique and offers voice, mobile internet, data, and related digital services to both individual and business customers. Although the company operates in several regions of the country, the study focused specifically on Nampula City because of its commercial significance, urban diversity, and relevance as a competitive telecommunications market in northern Mozambique. The city provides a useful setting for examining customer loyalty, since it combines different socioeconomic profiles, a growing demand for telecommunications services, and visible competition among mobile operators.

The target population consisted mainly of Movitel customers using mobile telecommunications services in Nampula City. These customers constituted the main source of quantitative data because they are the direct users of the company's services and are therefore able to evaluate pricing policies, service performance, customer care, and loyalty-related factors. In addition to customers, selected Movitel employees were included in the study in order to provide internal organizational perspectives. Their inclusion was important because customer loyalty is not only an outcome of customer perception but also the result of strategies and practices designed and implemented by the company. Flick (2018) emphasizes that the inclusion of different types of participants can enrich qualitative research by allowing the researcher to examine the same phenomenon from multiple viewpoints.

The quantitative sample consisted of 120 Movitel customers. These participants were selected through non-probability convenience sampling. This sampling technique was adopted because the researcher had direct access to customers who were available in different parts of Nampula City at the time of data collection. Although convenience sampling does not allow strong statistical generalization to the whole population, it is widely used in applied social research when access to a full sampling frame is limited and the research seeks to identify meaningful patterns within a defined context (Lakatos & Marconi, 2010). Efforts were made to ensure some degree of diversity in the sample by collecting data in different neighborhoods and among customers with varied profiles.

The qualitative sample included five Movitel employees selected purposively. These participants occupied roles directly related to the company's competitive and relational activities, including product management, infrastructure, customer care, service promotion, and marketing. Purposive selection was considered appropriate because the study required participants who possessed direct knowledge of the company's internal practices and strategic decisions. Creswell (2014) explains that qualitative samples are generally selected on the basis of their ability to provide rich, relevant, and

context-specific information rather than statistical representativeness.

Three main techniques were used for data collection: a structured questionnaire, semi-structured interviews, and document analysis. The questionnaire was the main instrument for collecting quantitative data from customers. It was designed around the central variables of the study, namely competitive strategies, customer relationship management, service quality, satisfaction, and customer loyalty. Most items were structured on a Likert-type scale in order to measure the degree of agreement or disagreement with specific statements. This format made it possible to generate comparable numerical data suitable for descriptive statistical analysis.

Semi-structured interviews were conducted with the selected employees in order to capture internal perspectives on how Movitel defines and implements its competitive strategies, manages customer relationships, and addresses customer loyalty challenges. The semi-structured format was chosen because it provided a balance between consistency and flexibility. It allowed the researcher to cover key themes while also giving participants room to elaborate on experiences and interpretations relevant to the study. Flick (2018) notes that semi-structured interviews are particularly valuable when the researcher seeks to understand organizational meanings, practices, and perceptions in depth.

Document analysis was used as a complementary source of data. The researcher consulted promotional materials, communication content, and institutional documents related to service offers, campaigns, and customer-oriented initiatives. This technique allowed the study to compare formal organizational communication with customer perceptions and employee accounts. Bardin (2016) points out that documentary analysis can be especially useful in qualitative research because it helps contextualize spoken data and reveal patterns in institutional discourse.

Quantitative data were analyzed using descriptive statistics, particularly frequencies and percentages. These procedures made it possible to identify the dominant response patterns among customers and to summarize their perceptions in a clear and systematic way. The results were later presented through tables and graphs in the findings section. Gil (2017) argues that descriptive statistics are especially suitable in studies that seek to organize and interpret survey data in a straightforward and meaningful manner.

Qualitative data from interviews and documents were analyzed through content analysis, following Bardin's (2016) approach. This involved repeated reading of the material, identification of recurring themes, categorization of responses, and interpretation of meanings related to pricing, network quality, customer care, communication, and loyalty. The final stage of analysis involved triangulation, whereby quantitative findings, interview evidence, and documentary information

were brought together in order to strengthen the interpretation of results. Creswell (2014) stresses that triangulation enhances the credibility of research by allowing different data sources to confirm, complement, or challenge one another.

Ethical considerations were observed throughout the study. Participation was voluntary, respondents were informed of the academic nature of the research, and confidentiality was guaranteed. Customer questionnaires were anonymous, and interview excerpts were reported only by reference to participants' professional roles rather than by name.

IV. RESULTS AND DISCUSSION

This section presents and discusses the main findings of the study by integrating quantitative data from customer questionnaires, qualitative evidence from employee interviews, and documentary evidence from institutional and promotional materials. The analysis is organized around three major dimensions: perceived competitive strategies, customer relationship management, and customer loyalty outcomes. This structure reflects the main objective of the study, namely to understand how Movitel's competitive strategies influence customer loyalty in Nampula City. The empirical material used in this section is drawn from the final dissertation chapter and related results already compiled in the study.

➤ *Perceived Competitive Strategies*

The first set of findings concerns how customers perceive Movitel's competitive strategies. The results show that pricing remains the company's strongest competitive dimension. Most respondents considered Movitel's prices accessible, and a majority also evaluated the price-benefit relationship positively. These findings suggest that affordable pricing plays a central role in attracting and maintaining customers. Interview evidence supports this pattern, as employees repeatedly emphasized that low-cost packages were intentionally designed to expand access, particularly among lower-income customers and users located in peripheral urban areas.

These findings are consistent with Porter's (1980) cost leadership perspective, according to which firms can secure market position by offering services at lower cost than competitors. In a market such as Mozambique, where consumer purchasing power is constrained and price sensitivity remains high, this strategy appears especially relevant. However, the data also indicate that price alone is not sufficient to sustain loyalty over time. Both customers and employees acknowledged that service quality, network performance, and customer care strongly affect retention decisions. This supports prior research showing that price may attract customers initially, but long-term retention depends on broader value creation, including service reliability and relational quality (Ofori & Appiah-Nimo, 2019; Oliver, 2015).

The second important finding concerns network quality and coverage. Although half of the respondents evaluated coverage positively, the results also reveal a considerable proportion of negative and neutral responses. Customers' perceptions of technical quality were therefore more moderate than their perceptions of price. Employees confirmed this point by admitting that, despite broad territorial coverage, some areas still experience unstable internet performance. Documentary evidence also pointed to recent infrastructure expansion, although detailed neighborhood-level performance reports were not available.

This result is important because it shows that broad coverage does not automatically translate into positive service evaluation. Parasuraman, Zeithaml, and Berry (1988) argue that service quality is a key determinant of customers' overall judgment, while Zeithaml (1988) emphasizes that perceived value depends on the balance between benefits and costs. Thus, even where prices are competitive, unstable service quality may reduce perceived value and weaken customer satisfaction.

Customer service was another important dimension of perceived strategy. More than half of the respondents evaluated customer service positively, but the relatively large proportion of neutral responses suggests inconsistency in the service experience. Interviews with employees reinforced the importance of customer care, especially in moments of complaint resolution or direct support. Some interviewees explicitly noted that good treatment can influence whether customers stay with the operator, even when they face technical difficulties.

This finding aligns with Grönroos (2015), who argues that value in services is largely created during direct interaction between the organization and the customer. It also supports Reichheld's (1996) proposition that negative service experiences reduce the likelihood of retention, whereas positive interaction strengthens trust and continuity.

The final strategic dimension examined in this section is innovation and differentiation. Here the results were weaker. Less than half of respondents clearly recognized Movitel as innovative or strategically differentiated. Employees acknowledged that innovation exists internally, but several noted that customers often do not perceive it clearly. Documents also showed a strong emphasis on pricing campaigns and promotions, but relatively limited evidence of structured communication about strategic differentiation or innovation.

This gap between internal initiatives and customer perception is significant. Porter (1980) argues that differentiation creates competitive value when customers perceive meaningful uniqueness. Likewise, Barney and Hesterly (2019) note that strategic resources generate advantage only when recognized and valued by the market.

Therefore, if innovation is not effectively communicated, it may fail to contribute to customer loyalty.

Overall, the evidence suggests that Movitel's perceived competitive position is strongest in pricing, moderate in technical quality and service, and relatively weak in perceived differentiation. This combination helps explain why customers remain with the operator, but also why loyalty appears vulnerable to competitive pressure.

➤ *Customer Relationship Management*

The second major area of analysis concerns customer relationship management (CRM). The findings reveal that communication exists and is visible to customers, but is perceived more as promotional than relational. A slight majority of respondents evaluated communication clarity positively, yet a substantial proportion reported negative or neutral perceptions. Similarly, less than half believed that the company consistently demonstrates concern for customer satisfaction. Interview evidence supports this pattern. Employees noted that communication remains heavily centered on promotions and broad campaigns rather than on personalized or segmented interaction .

From a CRM perspective, this is a relevant limitation. Payne and Frow (2005) define CRM as an integrated strategic process involving communication, processes, and customer knowledge. Winer (2001) likewise stresses that relationship management should be based on structured information and segmentation. The evidence in this study suggests that communication is active, but still largely transactional and mass-oriented, which limits its potential to build emotional bonds and deeper trust.

The study also examined complaint handling and problem resolution, which emerged as one of the weakest dimensions in the relationship process. Fewer than half of respondents evaluated problem-solving efficiency positively, and perceptions of complaint handling were even weaker. A significant proportion of customers expressed dissatisfaction in this regard. Interview data reinforced this concern: some employees admitted that the company still struggles to respond quickly to the volume of complaints, and that follow-up after the initial complaint remains limited .

This finding is analytically important because complaint handling is a critical point in customer retention. Grönroos (2015) explains that effective service recovery can strengthen the relationship after a service failure, while Gustafsson, Johnson, and Roos (2005) show that commitment and relationship quality are strongly influenced by how firms manage problematic service episodes. Reichheld (1996) similarly argues that customers whose complaints are effectively handled are more likely to remain loyal than those whose dissatisfaction is ignored. Thus, weakness in complaint management may undermine gains achieved through pricing or service promotion.

The final CRM-related aspect addressed in the study concerns retention practices and customer benefits. Survey responses indicate that a majority of customers report participating in promotions, suggesting that promotional activity is frequent and visible. However, interview data show that the company lacks formal, structured retention programs specifically targeted at long-term or high-value customers. One interviewee explicitly noted that campaigns are generally designed for all customers rather than for differentiated customer segments .

This is an important strategic limitation. Buttle (2009) and Kumar and Reinartz (2012) argue that effective CRM depends on differentiating customers according to value and designing tailored retention strategies. Peppers and Rogers (2011) also stress that personalization is central to sustainable retention. Without structured segmentation, organizations may retain customers only superficially, without building strategic or profitable loyalty.

Taken together, the findings suggest that CRM practices in the case studied are present but not yet fully systematized. Communication is visible but not strongly relational, complaint handling remains fragile, and loyalty programs are still broad rather than differentiated. These weaknesses help explain why customer loyalty appears more functional than relational.

➤ *Customer Loyalty Outcomes*

The final analytical dimension concerns customer loyalty itself. Loyalty was examined through three indicators: intention to continue using the service, willingness to recommend the operator, and commitment to the company.

The first result is that customer intention to remain with Movitel is relatively high. A clear majority of respondents stated that they intended to continue using the operator's services. However, the interviews reveal that employees themselves understand this loyalty as partly circumstantial. One employee explained that many customers remain with the company because of price and internet offers, especially among younger users, but may switch if another operator presents a more attractive offer .

This interpretation is theoretically relevant. Dick and Basu (1994) distinguish between behavioral loyalty and attitudinal loyalty, showing that continued use does not necessarily imply deep commitment. Oliver (2015) similarly explains that loyalty develops gradually and that repeated usage is only one stage in the process. The findings here suggest that Movitel has achieved a meaningful degree of behavioral retention, but not always stronger emotional loyalty.

The second loyalty indicator is recommendation. Slightly more than half of respondents stated that they would recommend the operator to others. Employees linked

recommendation directly to positive service experiences, especially in customer care. Some interviewees stated that customers who are treated respectfully and whose problems are solved quickly are more likely to promote the operator among relatives and friends. At the same time, documentary evidence showed campaigns encouraging the sharing of offers among peers, but not formal recommendation-based loyalty programs.

These findings support the literature on trust and advocacy. Reichheld (1996) considers recommendation one of the strongest indicators of genuine loyalty, while Gustafsson et al. (2005) show that trust and relational commitment positively affect recommendation behavior. The data therefore suggest that Movitel has a relevant group of promoters, but not one that is yet fully consolidated.

The third loyalty dimension is commitment and trust. The results here are more moderate. Half of respondents expressed commitment to the operator, but a notable proportion were neutral or negative. Employee interviews offered an important explanation for this: some stated that customers may remain with the company for economic reasons without necessarily feeling emotionally attached to it. Others directly linked trust to the quality of the network, noting that repeated service failures reduce confidence in the operator.

This interpretation is consistent with Ndubisi (2007), who identifies trust as a central element of relationship marketing. Oliver (2015) also emphasizes that emotional commitment represents a more advanced stage of loyalty. Burnham, Frels, and Mahajan (2003) add that switching costs may keep customers in a relationship even when commitment is low. The findings in this study appear to reflect precisely this condition: loyalty exists, but is not always based on deep relational attachment.

➤ *Integrated Discussion*

When the three analytical dimensions are considered together, a coherent pattern emerges. Movitel's strongest competitive advantage lies in its pricing strategy. Service quality and customer care produce more moderate evaluations, while differentiation and structured relationship management remain weaker. This configuration results in customer loyalty that is real, but not fully consolidated. Customers stay, recommend to some extent, and show moderate commitment, but often for functional reasons rather than because of strong relational identification.

This integrated pattern supports the general theoretical proposition that loyalty depends on the interaction between economic value, service quality, and relationship management. Anderson, Fornell, and Lehmann (1994) show that satisfaction is a key predictor of retention and profitability. Gustafsson et al. (2005) demonstrate that relationship commitment strengthens retention. Oliver (2015) and Reichheld (1996)

both emphasize that long-term loyalty requires more than competitive pricing: it requires positive cumulative experiences and confidence in the provider.

Thus, the results of this study suggest that Movitel has built a meaningful competitive base, especially through accessible pricing, but still faces important challenges in transforming functional retention into durable and emotionally grounded loyalty. Improvements in network consistency, complaint handling, communication quality, and structured CRM may therefore be essential for sustaining customer loyalty in the long term.

V. CONCLUSION

This study examined the influence of competitive strategies on customer loyalty in the telecommunications sector, using Movitel customers in Nampula City, Mozambique, as empirical evidence. By integrating quantitative data from customer questionnaires, qualitative evidence from employee interviews, and documentary analysis, the study provides a contextualized understanding of how pricing, service quality, customer relationship management, and customer perceptions interact in shaping loyalty outcomes.

The findings indicate that Movitel's strongest competitive advantage lies in its pricing strategy. Affordable service packages were consistently perceived as a key factor in attracting and retaining customers, especially in a market characterized by high price sensitivity. However, the results also demonstrate that price alone does not ensure strong and sustainable loyalty. Customers' continued use of the operator is also influenced by service quality, network reliability, customer care, and the company's ability to manage relationships effectively.

The study further reveals that customer loyalty in this context remains largely functional and economically driven. While many respondents expressed an intention to continue using the operator and a moderate willingness to recommend it, commitment and emotional attachment were less strongly developed. This suggests that loyalty is still vulnerable to competitive offers from rival operators. In other words, retention exists, but it is not always based on deep trust or long-term relational commitment.

Another important conclusion is that customer relationship management practices are present but insufficiently structured. Communication with customers appears to be active, yet primarily promotional rather than relational. Complaint handling and post-service follow-up also emerged as relatively weak points, limiting the company's ability to convert customer satisfaction into stronger loyalty. In addition, the findings suggest that although the company may introduce innovations internally, these are not always

clearly perceived by customers, reducing the strategic value of differentiation.

From a theoretical perspective, the results confirm that customer loyalty in service industries depends on the interaction between competitive strategy, perceived service quality, satisfaction, and relationship management. From a practical perspective, the study suggests that Movitel can strengthen loyalty not only by maintaining affordable prices, but also by investing more consistently in network quality, customer care, complaint resolution, and personalized relationship practices.

The study is limited by its focus on a single company and one urban setting, which restricts the generalization of findings to other regions or operators. Future research could compare multiple telecommunications firms, include rural contexts, or examine loyalty using longitudinal data. Even so, the study contributes to the growing discussion on customer loyalty in emerging telecommunications markets and offers relevant insights for both academic research and managerial practice.

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