

Abstract

Providing high quality customer service that actually satisfies the needs of the customer and results in customer satisfaction is one of the biggest concerns of businesses today. Customer satisfaction determines the behavioural intentions of the customer hence the reason why companies are continuously reaching out to the customer with the aim of building strong relationships that will result in customer loyalty.

Managers of companies therefore should be conscious of the role played by quality customer service in building these strong relationships. By gaining such insights into customer perceptions and expectations managers will be in a position to offer products and services that meet customer demands.

This study was based on the customer's perspectives and their experiences with telecom providers in Kampala, Uganda. A quantitative approach and a questionnaire as data collection tool were used in the conduction of this study. The findings suggest that service quality plays a key role in customer satisfaction. In addition to this the findings also suggest that customer satisfaction plays a key role in determining customer loyalty and customer switching depending on the situation. The findings in this study are similar to those findings of studies done in other countries.

Keywords: Service quality, customer service, customer satisfaction, behavioural intentions

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Chapter One

Orientation

1.1 Introduction

One of the fastest growing industries in the world today is the telecommunications sector which supports both data transmission and voice transmission. The industry has grown so rapidly that communication is fully dependent on it. The rate of development in any country is determined by how well its telecoms infrastructure can support the economy and how well that country can afford the supporting technology.

This rapid growth has spread to the developing world too, although at a much slower pace. This slow pace of growth is largely controlled by the high costs of telecommunication infrastructure, rigid legislation that protects and favours local investors and lack of capital funding required as a boost in the much needed industrial growth. In addition to this, most people in the developing nations live on the verge of poverty making this basic necessity a luxury service that the majority of the people can not afford.

As the industry evolves from the fixed telephone lines to small mobile handsets that offer more functionalities today than it did ten years ago, many developing nations are still in the process of embracing this advancement in technology.

The quest for economic empowerment will continue to promote growth in the economic sector which will in turn improve the well being of the people. This growth will indeed be supported by growth in the telecoms sector.

Globalisation has continued to spread to the African continent. As more and more multinational companies set up in Africa, it is important that they provide standardised services in each country. According to Leisen and Vance (2001) companies need to build “effective service quality into the design and delivery” of the goods and services. Regardless of the location of a company customer service therefore plays an important role in customer satisfaction and the behavioural intentions of the customer.

According to Leisen and Vance (2001:307) the same would apply to the expansion of mobile telecoms within the African continent but *“unfortunately these global expansions tend to focus primarily on the technical component of the telecommunication service and over look the investing in service quality”*. Considering that (Wilson, Zeithaml, Bitner and Gremler 2008:8), *“there is a growing market for services and increasing dominance of services in economies worldwide. The tremendous growth and economic contributions of the service sector have drawn increasing attention to the issues and challenges of service sector industries worldwide”* to the extent that one could question the viability of this expansion strategy.

The issue of service has far reaching implications to businesses worldwide and warrants more detailed investigation. This study will therefore help companies to leverage the quality of service offered to the customer and thus build competitive advantages that will ensure their survival in this fiercely competitive business environment.

In the next section the industry situation in Uganda will be analysed to give a view of the current situation in the telecoms sector.

1.2. Industry overview (Background)

According to the “Background to the Uganda Government Budget” (2007:viii), “the Ugandan economy is estimated to have grown by 6.5% in 2006/07 fiscal year, compared to 5.1% in the previous year on account of good performances in the construction, transport and communication, wholesale and retail trade services”. As a result investments in these and other sectors have increased. Indeed, the telecoms industry has been transformed into a vibrant, dynamic and highly competitive sector whose contribution to the country’s GDP has been on a steady growth as can be seen from Table 1.1 below.

Table 1.1 Real GDP Growth Rates by Sector

	2003/4	2004/5	2005/6	2006/7
Agriculture	0.4	0.5	-0.6	1.9
o/w cash crops	0.3	4.2	-12.6	-1.6
Mining and Quarrying	8.6	11.6	8.5	14.2
Manufacturing	4.6	11.9	-0.1	2.9
Electricity and Water	6.7	3.2	-2.2	3.0
Construction	13.0	11.3	13.5	11.3
Wholesale and Retail Services	3.0	10.0	6.6	9.7
Hotels and Restaurants	15.2	8.7	7.7	5.4
Transport and Communication	21.3	21.5	19.8	22.3
Community Services	7.6	6.5	8.1	3.7
Total GDP	5.4	6.8	5.1	6.5

Source: Uganda Bureau of Statistics 2007

The transport and communications sub sector alone has registered “a growth rate of 22%” “increasing its share of GDP by three percentage points” (Background to the Uganda Budget 2007:7). This sector is projected to grow at 33.3% in the current fiscal year” while the services sector which “has been the fastest growing sector of the economy over the past 5 years” has enjoyed a “growth rate of over 8% annually since 2003/4” (Background to the Uganda Budget 2007:7).

Since its liberalisation in 1993 the telecoms industry in Uganda has registered remarkable growth. Uganda, the first among the East African community members to liberalise its telecoms sector currently has five companies licensed to operate: Celtel as a cellular telecommunications operator (CTO), MTN & Uganda Telecom as national telecommunications operators (NTO) and public infrastructure provider (PIP) and Warid Telecom as well as Hits Telecom in 2007 as new PIP and public service provider (PSP) operators (September 2007 Market review by the Uganda Communications Commission and Background to the Uganda Government Budget 2007:44).

The population of Uganda is over 30 million people with the majority of the people (86%) living in the rural areas. Table 1.2 below shows the distribution of the population between the rural and urban areas in the country. However, “80% of the country’s digital phone lines and modern switching technology are found in Kampala” (Background to the Uganda Government Budget 2007:52).

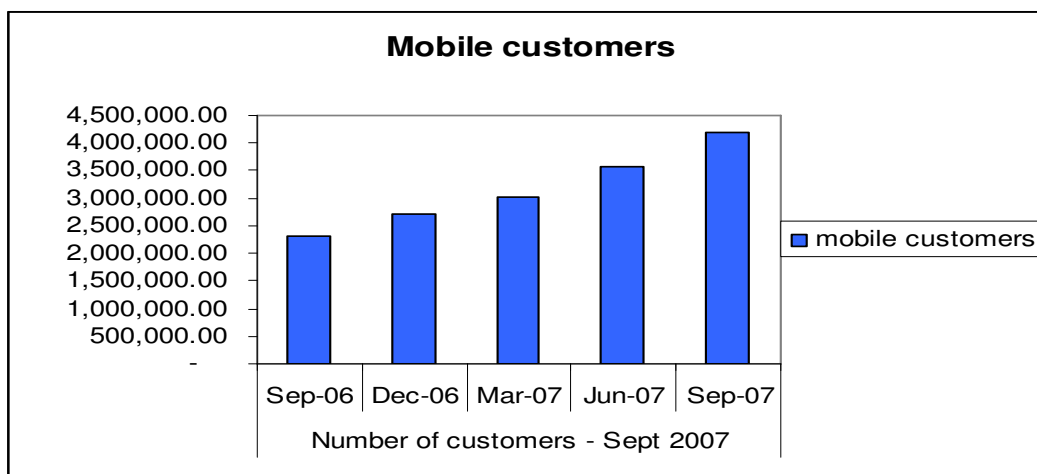
According to the Uganda Communications Commission report (2007), the country’s tele-density has grown from 2.8% in 1998 to a remarkable 15.5% in September 2007. This represents an annual growth rate of 68% or a net addition of 1.5 million customers in 12 months.

Table 1.2: Mid year Rural – Urban Population for Uganda, 1991-2007

Year	Urban	Rural	Total
1991	1,714,700	15,207,500	16,922,200
1992	1,801,100	15,671,900	17,473,000
1993	1,891,700	16,149,900	18,041,600
1994	1,987,000	16,641,700	18,628,700
1995	2,087,000	17,148,000	19,235,000
1996	2,192,100	17,668,800	19,860,900
1997	2,302,500	18,204,800	20,507,300
1998	2,418,400	18,756,300	21,174,700
1999	2,540,100	19,323,800	21,863,900
2000	2,668,000	19,907,400	22,575,400
2001	2,802,400	20,507,700	23,310,100
2002	2,943,500	21,125,300	24,068,800
2003	3,091,400	21,759,300	24,850,700
2004	3,247,000	22,412,500	25,659,500
2005	3,410,500	23,084,100	26,494,600
2006	3,582,200	23,774,700	27,356,900
2007	3,762,600	24,484,700	28,247,300

Source: Uganda Bureau of Statistics 2007

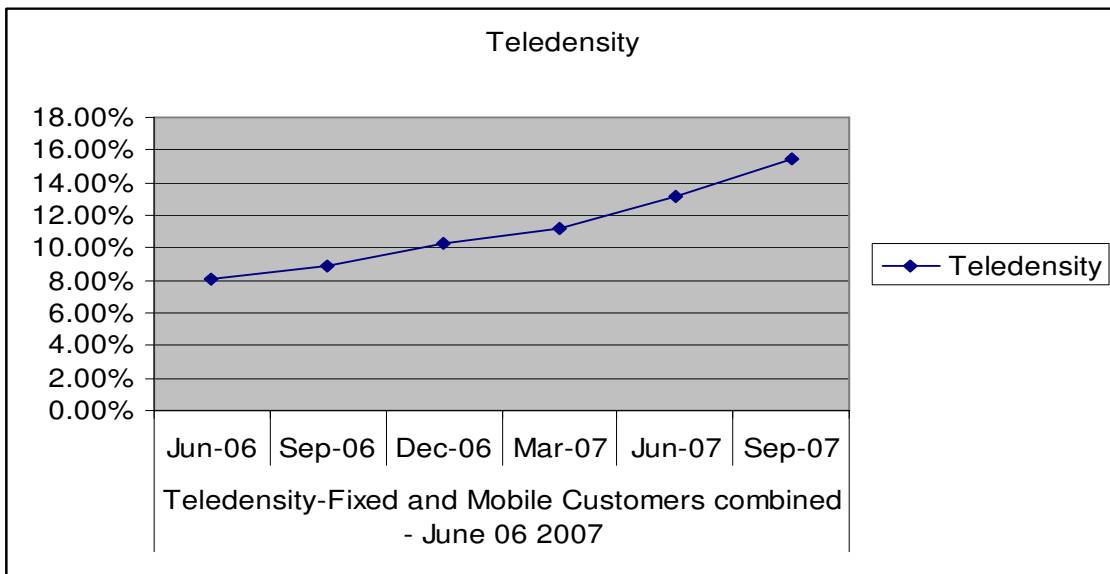
Graph 1.1: The Growth of Mobile Phone Users in Uganda



Source: September 2007 Market Review by Uganda Communications Commission (UCC)

Graph 1.1 above illustrates the number of mobile phone customers which has continued to grow steadily. This is an indication of the potential that exists in the market and also an indication that there are many subscribers in the market whose needs should be addressed by the service providers. With a population of over 30 million people mobile penetration was only 14% in September 2007. Potential untapped markets include people living in areas that did not have network coverage and could therefore not access mobile phone services or other potential users that are either too young or simply too poor to afford mobile phone services.

Graph 1.2: Teledensity



Source: September 2007 Market Review by Uganda Communications Commission (UCC)

Graph 1.2 above shows the growth in teledensity coverage in Uganda between June 2006 and September 2007. As the number of subscribers grew teledensity also grew. The growth in teledensity is therefore an indication that more and more Ugandans can now access both fixed and mobile phones.

According to their report on telecommunications reform in Uganda (2002), Shirley, Tusubira, Gebreab and Haggerty indicated that demand greatly exceeded the initial forecasts and that the service providers experienced problems providing enough capacity. As a result more licences have been issued to new service providers paving the way for intense competition in the industry. However, there is a need to benchmark the services currently being provided with a view to ensuring that the subscribers get value for money. By analysing the rate of growth in the telecoms industry alone it is not possible to ascertain if the customers are indeed getting value for money. The rapid growth may be attributable to other reasons. This is the premise upon which this study will be built.

1.3 Conclusion

The rapid growth of the telecoms industry in Uganda is in sync with the rapid growth in the telecoms industry worldwide. The service providers in Uganda have indeed been overwhelmed by the success of this industry and are probably looking forward to exploiting the market potential in the country. With only 14% market penetration there is indeed great room for expansion.

However, as the industry continues to boom it is important for the telecoms companies in Uganda to understand the perceptions of their current customer base as a way of gauging how successful they have been in addressing the needs of these customers. This is the only means by which the service providers will know where they want to go. In other words, "knowing where they want to go they will be in a position to determine how to get there".

Chapter Two

Foundation of the Study

2.1 Introduction

In this chapter the research topic or statement of the problem will be broken down into five hypotheses. The process will start with identifying the research objective followed by identifying the research problem. The research problem will then be subdivided into research questions that will lead to the five hypotheses. The relevance of this study will also be stated.

2.2 Foundation of the Study

2.2.1 Statement of the Problem

Customer service has an impact on customer satisfaction which determines the behavioural intentions of the customer. If customers are therefore not satisfied with customer services, service providers may not be able to retain unhappy customers. Therefore if service suppliers do not understand how customers perceive their services it may have a direct impact on customer defection.

2.2.2 Research Objective

This study proposes to analyse the role that customer service plays in creating customer satisfaction and the influence thereof on behavioural intentions among mobile phone users subscribing to mobile telephone services.

2.2.3 Research Problem

Telecom service providers in Uganda have predominantly focused their efforts on the technical offerings of the services and products they have in the market. However, according to literature the financial success as well as the growth of an industry is directly linked to the satisfaction of the customers. Thus customer satisfaction is determined by the quality of service offered.

This study will therefore investigate the impact that service quality has on customer satisfaction among telecom customers in Kampala. The study will also investigate the consequences of customer satisfaction or the lack thereof.

2.2.4. Investigative Questions

The first investigative question: what is the perception of mobile phone users in Kampala of the customer service they get from mobile phone networks?

The second investigative question: what is the perceived service quality to the mobile phone users in Kampala?

The third investigative question: what makes mobile phone users in Kampala satisfied with the service?

The fourth investigative question: what happens when the mobile phone users are not satisfied with service?

2.2.5 Research Questions

Does customer service create customer satisfaction among mobile phone users in Kampala?

Does customer satisfaction result in behavioural intentions of the mobile phone users in Kampala?

2.2.6 Formulation of hypotheses

In this study structural equation models will be developed to test the following hypotheses:

- H1a Reliability has a positive influence on customer satisfaction
- H1b Responsiveness has a positive influence on customer satisfaction
- H1c Assurance has a positive influence on customer satisfaction
- H1d Tangibles has a positive influence on customer satisfaction
- H1e Empathy has a positive influence on customer satisfaction
- H2 Service quality has a positive influence on customer satisfaction
- H3 Customer satisfaction has an impact on the customer's behavioural intentions

2.2.7 Importance of the Study

According to Ranaweera and Prabhu (2003), customer retention has increasingly become an issue of strategic importance that is not only limited to customer interfacing departments and roles, but to the entire company as a whole. One of the drivers of customer retention is customer satisfaction which is achieved by ensuring that the customer gets need satisfying products and services. One of the ways to achieve this is through quality customer service which "*is essential to building customer relationships*" (Wilson *et al* (2008:6). According to these authors customers should be "*viewed as assets to be valued, developed and retained* (2008:24). In light

of the above, all strategies should be “*developed with an eye on the customer and all implementations carried out with an understanding of their impact on the customer.*”

It is therefore important to understand the needs of the customer and provide solutions in the form of products and services that actually meet those needs. When there is intense rivalry in a market such as is the case in the telecoms industry in Uganda subscribers are spoilt for choice. They are continually bombarded with offerings that are so similar in nature but are packaged in different ways to make them more appealing to the subscribers. The telecoms companies in Uganda therefore need to create a competitive advantage as a way of differentiating themselves from each other. According to Johnson and Sirikit (2002:693) “*service organisations ranging from small business owners to large corporations existing throughout the business world are constantly seeking unique ways of differentiating their offerings*”. In order to achieve this differentiation telecoms companies in Uganda too have to invest heavily as a way of improving the quality of service for their customers. Secondly “*the willingness and ability of managers in service firms to respond to changes in the service economy will determine whether their own organisations survive and prosper*”. Ugandan companies will “*establish priorities for service quality improvement as well as identifying which service quality attributes to emphasise in differentiating the firms’ service offer*” (Johnson and Sirikit 2002: 693).

However, knowing that customer service will create customer satisfaction is not enough. It is equally important to know if this satisfaction is as a result of quality service. This study will therefore analyse the relationship between customer service and customer satisfaction among subscribers in Kampala and their perception of quality in the service. By evaluating this relationship between the two variables the researcher intends to illustrate the importance of customer service to mobile phone users.

This study intends to find valuable information that will aid the different stakeholders in the Ugandan telecoms industry, both current industry players and potential players,

in redesigning service processes needed to satisfy customer requirements accurately. The stakeholders will range from the telecoms companies to the subscribers, legislators, those in other service driven industries and even those industries which provide services and products that compliment the telecoms industry.

2.2.8 Contributions of the Study in Relation to Existing Body of Knowledge

The existing body of knowledge was done mainly in markets in the developed world. This study will be undertaken in Uganda a third world African country. The findings will add more knowledge on the significance of customer service on customer switching resistance in the telecoms industry in Africa and also on which dimensions of service quality Ugandans value more than their counterparts elsewhere. Any similarities or differences between the expectations of customers in Uganda and those in other countries where previous research on the same variables was carried out will also be highlighted.

The study will assess “the strengths and weaknesses of the service currently being delivered” (Johnson and Sirikit 2002:693).

The proposed study will not only be useful to the telecoms industry but will also be useful to other industries in Africa that are service driven because the variables cut across many industries. It will also provide insights for those companies that compliment services and products of the telecoms industry.

2.2.9 Context of the work

The following framework will be adopted in the proposed study:

Figure 2.1 – Context of this Study

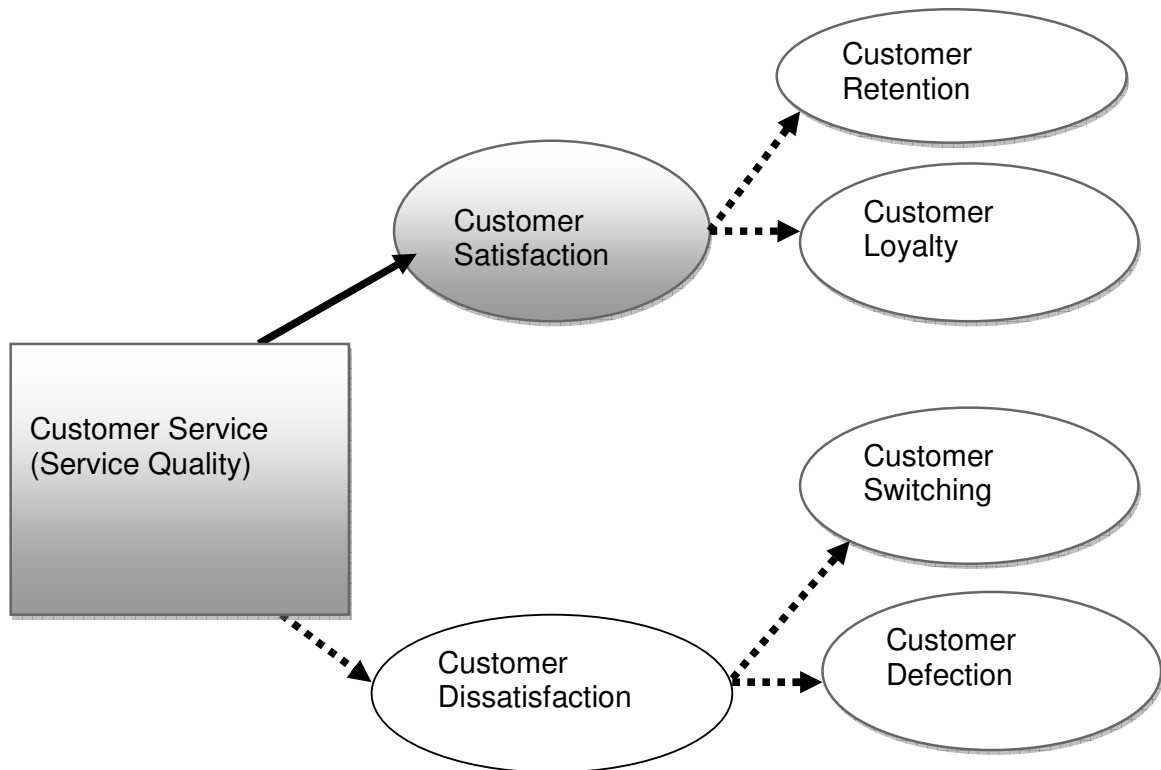


Figure 2.1 above provides the framework that will be used in the proposed study of the impact of customer service on customer satisfaction. In this framework customer service will be analysed using the service quality dimensions and the impact thereof on customer satisfaction. Then the resultant behavioural intentions will be identified. If the service quality is good and the customers are satisfied with the service then customer retention or loyalty will be the outcome. However if the service quality is poor then customers will be dissatisfied and may switch to the competition or defect. This framework was used in developing the hypotheses listed above.

2.2.10 Scope

The study will be conducted in the heart of the business district of Kampala city, the capital of Uganda. The study will be carried out during working hours to facilitate accessibility to respondents. The people in the offices were selected because English is the official business language of the country. These respondents will therefore be literate and will be in a position to understand the study variables as well as to evaluate them.

Secondly the capital city, Kampala was selected because there is a high concentration of subscribers from the three telecoms companies.

The study variables will be customer service, customer satisfaction and behavioural intentions among mobile phone users.

The study will be a cross sectional research design given the short time allocated to the research project.

Lastly subscribers in this study will be limited to those mobile phone users who have in their possession a sim card for one of the three telecoms companies and have used that sim card to make or receive calls within a month of this study.

2.3. Objectives of the Study

The following are the objectives of this study:

1. to analyse whether perceived customer service is directly related to customer satisfaction among mobile phone users in Kampala
2. to analyse the impact of customer satisfaction on the resultant behavioural intentions of mobile phone users in Kampala

Customer service breeds customer relationships which are funnelled by the satisfaction derived from these relationships. This results in loyalty through customer retention and through expansion of the customer base. It is therefore pertinent that

companies exploit their competitive advantage by leveraging on customer service. By delivering an unexpected good service, companies will not only have the ability to keep their customers but will also ensure repeat purchasing hence increase profitability (Perreault and McCarthy 2005).

Customer service is determined by customer friendly/centric policies set by the service provider company, by the attitudes of the staff and lastly by the training offered to staff. The synergies arising out of these three areas will compel the delivery of world class customer service which generates satisfaction that results in loyalty (Perreault and McCarthy 2005).

This study will consider customer service from the customer perspective and each respondent will base their evaluation on their own perception of what customer service is to them. The reason for this is that Ugandans are very polite and patient people who by nature do not demand even for what others would deem to be their basic human rights. As a result there is a tendency for companies to deliver services and products that are short of what a customer elsewhere would accept. One example is that many of the mobile phone users spend hours in queues waiting for services. They wait patiently for their turn to come without as much as expressing any discomfort or dissatisfaction. It is important to note that because customer service is perceptual it may contain measurement error. Wilson *et al* (2008:55) states that *“because customers compare their perceptions of performance with reference points when evaluating service quality, thorough knowledge about customer expectations is critical to services marketers”*.

The intention of the analysis is therefore to show that much as they may not voice their concerns as loudly as other customers elsewhere would, they do have expectations (of customer service) from the service provider and these expectations will determine their choice of service provider. The service providers on the other hand need to start listening to what their customers are saying albeit silently.

2.4 Assumptions of the Study

The first assumption. The first assumption is that the three mobile service providers engage in activities perceived by the mobile phone users to enhance customer service.

The second assumption. The second assumption is that the subscribers / respondents know what to expect from customer service.

The third assumption. The third assumption is that the criterion group of subscribers is representative of the mobile phone users in Kampala.

The fourth assumption. The fourth assumption is that there are no barriers stopping subscribers from switching between the three service providers.

2.5 Delimitations of the Study

The study will not cover mobile phone users subscribing to service providers who have been operating for five years or less in the telecom industry.

The study will be limited to mobile phone users in gainful employment in Kampala.

Because customer service is just but a perception the study will not attempt to evaluate customer service.

This study will not attempt to determine the presence of a cause and effect relationship between the variables.

The study will only analyse data collected from subscribers and not from the service providers.

2.6. The Definition of Terms

The definitions listed below have been used in this study.

2.6.1 Customer Service

According to Kim and Kim (2001:139) customer service can be regarded as “*a process that consists of several steps to satisfy customer requirements*”.

Wilson *et al* (2008:6) define customer service as “*the service provided in support of a company’s core products. It can occur on-site (as and when a retail employee helps a customer find a desired item or answers a question), or it can occur over the telephone or via the internet*”.

2.6.2 Customer Satisfaction

Customer satisfaction is that feeling of contentment when the customer “*has or achieves what one needs or desires*” according to the Oxford Advanced learner’s dictionary (1991:403). Customer satisfaction “*is a direct result of firm and environmental variables rather than solely of the individual transaction*” Emerson and Grimm (1999:403).

2.6.3 Customer Dissatisfaction

Customer dissatisfaction is the failure of the product or service “*to meet the needs and expectations*” (Wilson *et al* 2008:80), of the customer.

2.6.4 Service Quality

Service quality is “*a focused evaluation that reflects the customer’s perception of reliability, assurance, responsiveness, empathy and tangibles*” (Wilson *et al* 2008:78).

2.6.5 Service Experience

“Service experiences are the outcomes of interactions between organisations, related systems / processes, service employees and customers” (Bitner, Farander, Hubbert and Zeithaml 1997:193)

2.7. Abbreviations

NTO is the national telecom operator

PIP is the public infrastructure provider

CTO is the cellular telephone operator

Telecoms is the telecommunication sector

PSP is the public service provider

Telecoms is telecommunication

TQM is total quality management

BPR is business process reengineering

ECSI is the European Customer Satisfaction index

2.8. Ethics

The respondents will be informed that the study will be done by following procedures that conform to ethical research and that the findings will be used ethically. The following areas will be addressed:

- 1. Protection from harm:** participants will be informed in writing that their participation in this study will not expose them *“to undue physical or*

psychological harm" (Leedy & Ormond 2005:101) such as being subjected to unusual stress, embarrassment or loss of self-esteem.

2. **Informed consent:** Respondents will be informed that participation is voluntary and respondents may withdraw their participation whenever they want to.
3. **Right to privacy:** A guarantee that their responses will remain confidential and anonymous will be given at the onset. The research assistant will therefore not have access to the responses.
4. **Honesty with professional colleagues:** The findings will be reported as they are without manipulating them or misrepresenting them in any way. This will also apply to the thoughts and ideas incorporated throughout the research proposal and research paper itself.

2.9. Resources Needed

The following resources will be needed:

1. Ten research assistants who will have to deliver and collect the questionnaires from the offices of the respondents.
2. One data clerk who will tabulate the data into spreadsheets that can be analysed.
3. One data analyst who will analyse the data using statistical analyses.
4. One supervisor who will give guidance and advice throughout the research process.
5. The researcher will also need financial resources for the whole project to cover expenses such as salaries, transport fees, printing costs and consumables required during the whole project.

6. The role of the researcher will be to manage the project by overseeing the activities and supervising the team of research assistants, data clerk and data analyst.

2.10 Conclusion

This study will therefore investigate the five hypotheses above to determine the impact of service quality on the perceptions of customers within the parameters indicated above. The investigation will apply the definitions above as are defined in the literature. In the next chapter a review of the literature dealing with the research problem will be done.

Chapter Three

Literature Review

3.1 Introduction

The literature review gives an insight of studies done by other researchers on the relationship between customer service and customer satisfaction and the resultant behavioural intentions.

“The ability of telecommunication operators to focus on the customer has proven to be one of the most competitive issues toward the end of the 20th century” (Anthanassapoulos and Iliakopoulos 2003:224). This literature review will therefore be used as a foundation for the proposed study of mobile phone users in Kampala. This study will give the telecoms companies in Uganda a better understanding of what the customer wants.

This section considers different aspects that have been researched in respect of service quality, customer perceptions and customer satisfaction, service experience, service excellence, and the resultant behavioural intentions.

3.2 Service Quality

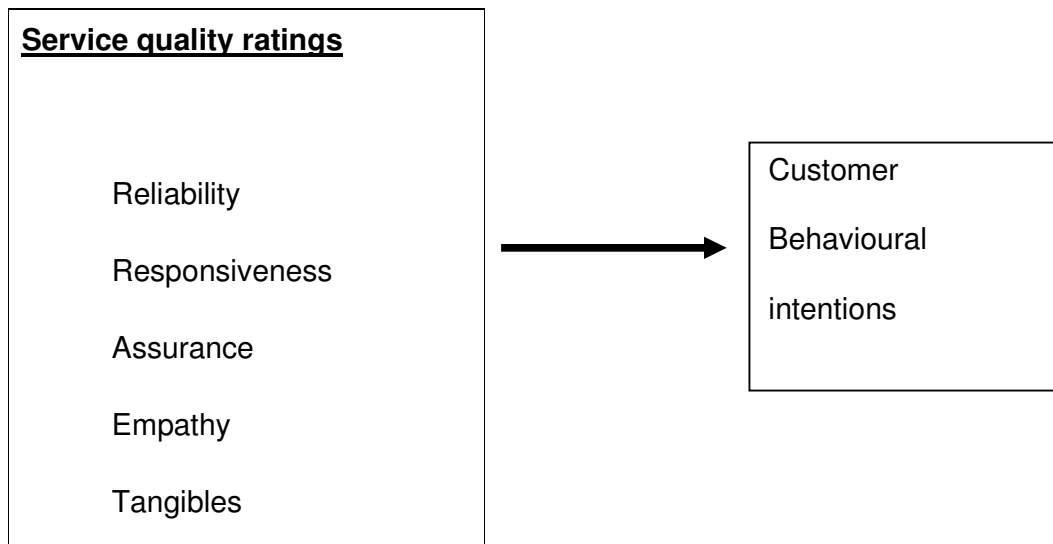
Service quality is defined as “a focused evaluation that reflects the customer’s perception of reliability, assurance, responsiveness, empathy and tangibles” (Wilson *et al* 2008:78). As the marketplace becomes fiercely competitive the “*quality of*

service is becoming an increasingly important differentiator” (Parasuraman, Zeithaml and Berry 1988:5).

Indeed. “The issue of service quality has gained considerable currency” because “service organisations ranging from small businesses to large corporations existing throughout the business world are constantly seeking unique ways of differentiating their offerings” (Johnson and Sirikit 2002:693). “The willingness and ability of managers in service firms to respond to changes in the service economy will determine whether their own organisations survive and prosper” (Johnson and Sirikit 2002:693). By assessing the quality of the services provided companies are able to determine their own strengths and weaknesses and can take proactive steps. One such assessment is to use the dimensions of service quality.

The dimensions of service quality in Figure 2 below were first applied to “*assess customer perceptions of service quality in service and retailing organisations*”, (Parasuraman *et al* 1988:12). According to Parasuraman *et al*, (1988:5) “*the criteria used by customers in assessing service quality fit ten dimensions: tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer and access*”. These dimensions were then used to develop a scale to measure customer perceptions called the “*SERVQUAL instrument*” (Parasuraman *et al* 1988:5). The ten dimensions were then grouped into the following five dimensions presented in figure 2.

Figure 3.1 Dimensions of Service Quality



Source: Parasuraman, Zeithaml and Berry (1988)

These five dimensions are defined as follows:

Reliability is the “*ability to perform the promised service dependably and accurately*” (Parasuraman *et al* 1988:6). “*Of the five dimensions, reliability has been consistently shown to be the most important determinant of perceptions of service quality*” (Wilson, Zeithaml, Bitner and Gremler 2008:84).

Responsiveness is the “*willingness to help customers and provide prompt service*” (Parasuraman *et al* 1988:6). “*This dimension emphasises attentiveness and promptness in dealing with customer requests, questions, complaints and problems*” (Wilson *et al* 2008:85).

Assurance is the “*knowledge and courtesy of employees and their ability to inspire trust and confidence*” (Parasuraman *et al* 1988:6). “*This dimension is likely to be important for services that customers perceive as high risk or for services of which they feel uncertain about their ability to evaluate outcomes*” (Wilson *et al* 2008:85).

Empathy is the “*caring, individualised attention the firm provides its customers*” (Parasuraman *et al* 1988:6). According to Wilson *et al* 2008:86, this dimension conveys the message “*that customers are unique and special and that their needs are understood*”.

Tangibles refer to the “*physical facilities, equipment and appearance of personnel*” (Parasuraman *et al* 1988:6). “*Tangibles provide physical representations or images of the service that customers, particularly new customers, will use to evaluate quality*” (Wilson *et al* 2008:86).

In addition to the above definitions empathy and assurance “*contain items representing seven original dimensions – communication, credibility, security, competence, courtesy, understanding/knowing customers and access*” (Parasuraman *et al* 1988:6). “*The SERVQUAL scale is*” therefore “*a starting point for assessing service quality*” (Johnson and Sirikit 2002:699). When used regularly this assessment empowers companies to improve their services by analysing the dimensions of service quality and understanding what the customer perceptions of these dimensions truly are.

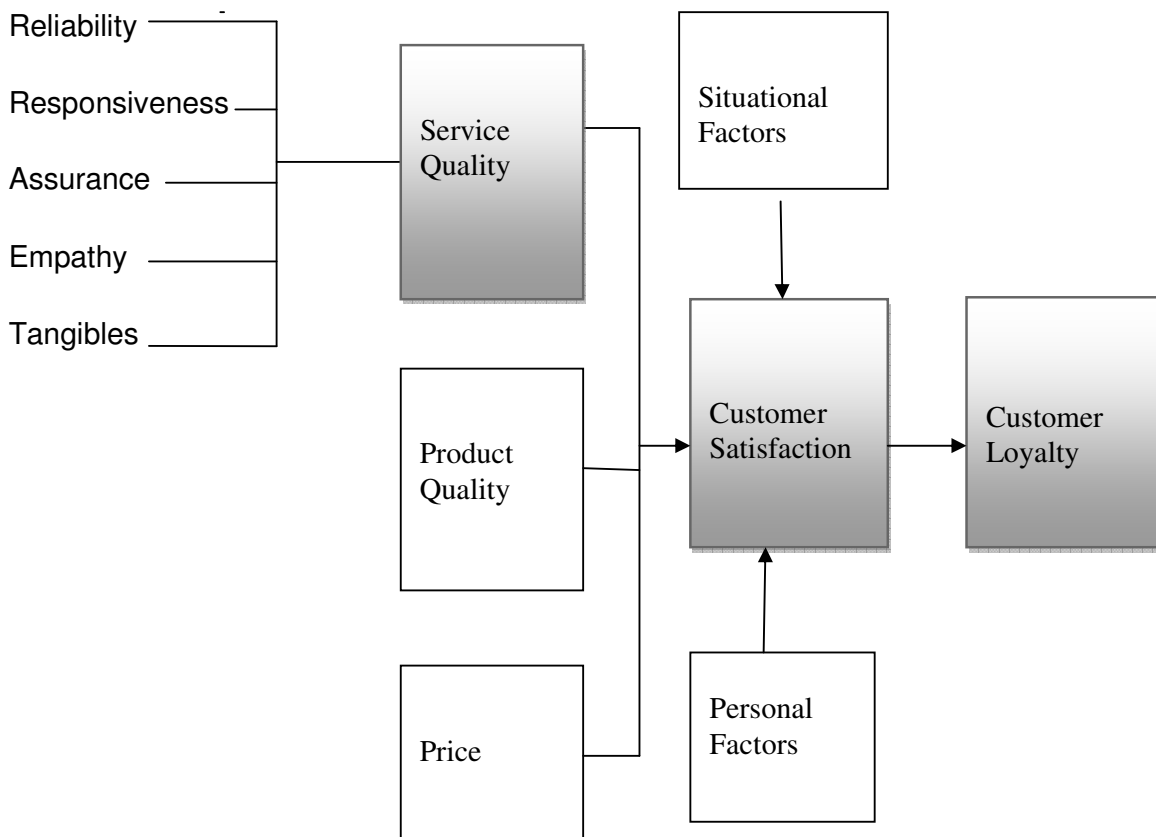
3.3 Customer Perceptions

In figure 3.2 below customers evaluate the quality of service using the five dimensions of quality discussed in the section on service quality above. According to Wilson *et al* (2008:83) “*service quality will be the dominant element in customers’ evaluations*”. They therefore form perceptions of the quality of service received based on these dimensions.

Service quality together with situational factors and personal factors in turn determine the level of customer satisfaction. The resultant behaviour is loyalty which is the goal that all firms would like to achieve and sustain. “*To deliver quality services to customers, we need to understand their expectations*” (Kim and Kim 2001:139). The

quality of customer service is an important factor in customer retention. Therefore, “*delivering superior service quality appears to be a prerequisite for success, if not survival*” (Parasuraman *et al* 1988:13). “*Given accurate understanding of expectations, customer service, which can be regarded as a process that consists of several steps to satisfy customer requirements, should be redesigned to match them*” (Kim and Kim 2001:139).

Figure 3.2 Customer Perceptions of Quality and Customer Satisfaction



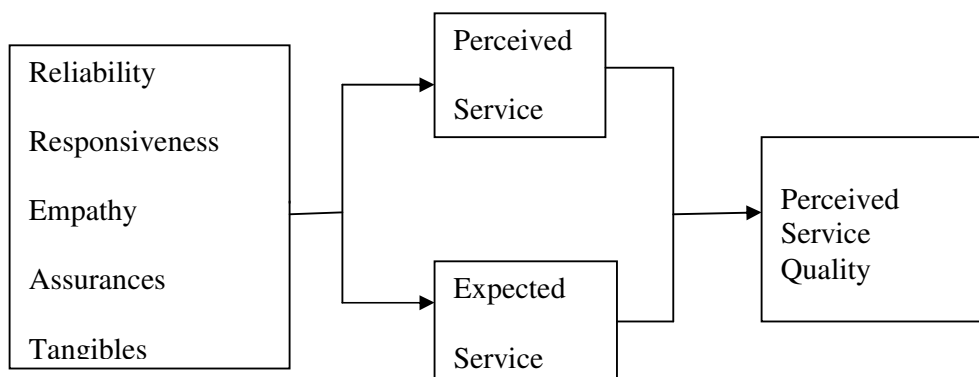
Source: Wilson, Zeithaml, Bitner and Gremler (2008)

Figure 3.2 therefore shows the relationship between service quality dimensions, customer satisfaction and loyalty. Firms can only leverage on this relationship by understanding the perceptions held by their customers of the service quality. With this information in hand firms are then well placed to build quality in their services.

It is important to note that product quality and price have a role to play in determining customer satisfaction although the main focus of the study is on service quality.

Figure 3.3 below shows the relationship between the dimensions of service quality and perceived service quality. The combined effect of perceived service and expected service is what determines perceived service quality according to this model. By understanding how the customer perceives the service and also what the customers expectations of the service are, companies are in a position to understand the customers' perception of the quality of service using the service quality dimensions. In fact, Brady and Cronin (2001:37) are of the opinion that "*customers form their service quality perceptions on the basis of an evaluation of performance at multiple levels and ultimately combine these evaluations to arrive at an overall service quality perception*" as can be seen from the model below.

Figure 3.3 The SERVQUAL Model



Source: SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality by Parasuraman, Zeithaml and Berry 1988

Research suggests that the importance of service in customer retention is more critical now than it has ever been and this importance is still growing. The most surprising trend confirmed by research is *“the lingering gap between how organisations and their customers value reliability and responsiveness. Customers value reliability although the salespeople and sales managers tend to place a higher value on responsiveness”* (Potter-Brotman 1994:54). There is a need to narrow this gap by changing the focus towards the customer and his or her needs. This will also enable companies to create a competitive advantage in the quality of service given to the customer.

According to Potter-Brotman (1994:53) *“anyone who interacts with a customer along the value chain must have appropriate skills to respond efficiently and effectively to customer needs”*, and this can only be achieved by sensitising and training all employees in aspects of customer service. This author states further that the skills required to deliver customer service beyond the customer expectations are: *“questioning skills, the ability to set realistic expectations, sales skills and product knowledge”*. The author therefore concurs with the findings of Parasuraman *et al* (1988), that indeed assurance, one of the dimensions used in the SERVQUAL instrument is one of the determinants of service quality.

3.4 Service Experience

“Service experiences are the outcomes of interactions between organisations, related systems / processes, service employees and customers” (Bitner, Farander, Hubbert and Zeithaml 1997:193). These service experiences are then analysed to determine how *“the effectiveness of customer involvement at all levels will impact organisational productivity and ultimately quality and customer satisfaction”* (Bitner *et al* 1997:195).

Customer experience is “*the internal and subjective response customers have to any direct or indirect contact with a company*” (Meyer and Schwager 2007:118). “*Service quality and scope matter very much when the core offering is itself a service*” (Meyer and Schwager 2007: 119). According to Meyer and Schwager (2007:117), it is only “*companies which monitor customer experience regularly that are able to take steps in improving this experience as well as their bottom line*”. They go further to define customer experience as “*every aspect of a company’s offering including customer service*” (Meyer and Schwager 2007:118).

In addition to this “*effective customer participation can increase the likelihood that needs are met and that the benefits the customer is seeking are actually attained*” (Bitner *et al* 1997:197). Customers therefore have an important role to play in determining the quality of service they receive and the resultant satisfaction. Their evaluations of the service as it is experienced at various contact points is valuable information to a manager whose aim it is to ensure that the needs of the customer are met. This is achieved therefore by analysing the customer “*views on the basis of specific interactions*” (Athanasopoulos and Iliakopoulos 2003:225), with the service provider.

Service providers therefore should analyse and evaluate the customer experience at every touch point (direct contact point) of the business in order to determine the level of customer satisfaction. By so doing the service provider can choose to “*narrow the gap between customer expectations and their subsequent experiences thus increasing the satisfaction at each encounter or experience*” (Meyer and Schwager 2007:118). “*Measuring customer expectations and perceptions of the five dimensions to assess service quality*” could be useful in this case (Johnson and Sirikit 2002:694).

3.5 Customer Satisfaction

Customer satisfaction “is a direct result of firm and environmental variables rather than solely of the individual transaction” (Emerson and Grimm (1990:403). Satisfaction is therefore influenced by the perceptions of quality in the service and product, the price and lastly by the situational and personal factors of the customer. “*Satisfying customers is the best method for organisations to gain competitive advantage*” (Kim and Kim 2001:139). “*If customers’ experiences are not satisfactory, the relationship is likely to be very short*” (Bolton 1998:45). This is the reason for the emphasis placed on the need to understand what makes customers satisfied with the service and therefore why these customers stay on or decide to move on.

On the other hand, “*perceived value is viewed as another key driver of consumer satisfaction*” (Wang and Lo 2002:54). “*More and more firms are searching for new ways to achieve, retain, upgrade and leverage competitive advantages, given the fact that customers are becoming more demanding, competition is getting more intense and technology is changing more rapidly*” (Wang and Lo 2002:52).

Satisfaction therefore plays a very important role in the relationship between organisations and their customers. According to Bolton 1998:45, “*customer satisfaction can have an important financial implication for the organisation because lifetime revenues from an individual customer depend on the duration of his/her relationship as well as the dollar amount of his / her purchases across billing cycles*”. Organisations that are proactively engaged in finding out why their customers are happy or are not happy are able to counter not only the effects of lost customers but also to learn the reasons for dissatisfaction or satisfaction from these customers. This therefore helps the organisation to slow customer turnover (churn) by taking corrective actions where necessary as well as minimise the costs involved in losing these customers and at the same time acquire new ones.

“Customer dissatisfaction is widespread and because of customers’ empowerment, increasingly dangerous” (Meyer and Schwager 2007: 126). Companies need to know more about the *“customers’ thoughts, emotions and state of mind that customers’ interactions with products, services and brands induce”* (Meyer and Schwager 2007:126) before they move on to the competition. By understanding these subjective experiences and the role played by every function in shaping them will the concept of customer satisfaction become a goal that can easily be attained.

As companies evolve into multinationals that exploit the benefits of globalisation it is important that these companies *“expose similar service quality dimensions”* (Leisen and Vance 2001: 307) in each country that they operate in. This is supported by the fact that customers compare experiences and perceptions. This has been the foundation for reviewing research done by other authors to gain insights into their findings and apply these to Uganda.

There is limited research *“on the importance of various strategic elements (such as customer service) in explaining customer satisfaction”* (Emerson and Curtis1999:403). However, the *“performance on certain logistics and marketing customer service dimensions directly contributes to customer satisfaction in a channels setting”* (Emerson and Curtis 1999:404).

3.6 Service Excellence

“Service excellence creates a competitive advantage and customer retention (Potter-Brotman 1994:54). However, this has to be spread across the entire organisation for it to be effective. In the long run the company gains from the quality service by increasing its customer retention and profitability. Service excellence is the combination of all the elements in figure 3 above. These elements when put together, favourably affects customer loyalty which is the resultant behavioural intention that any company should strive to achieve. Thanks to service excellence

“service quality, customer satisfaction and customer value are becoming the most important factors of business success for either manufacturers or service providers” (Wang and Lo 2002:50). According to Wang and Lo (2002:50), *“there are few studies on service quality, customer satisfaction and customer value and their influence on behaviour intentions in the telecommunications industry”*. This study will therefore contribute greatly to the existing body of knowledge.

3.7 Customer Behavioural Intentions

“Research has shown that service quality has a strong effect on the potential start of a relationship” (Venetis and Ghauri 2004:1577). The behavioural intentions of a customer are therefore borne out of those customer experiences he or she gets through his / her interaction with the service provider. It is these experiences that in turn determine the kind of perceptions that this customer will have of the service or product.

Figure 3.2 above shows that there is indeed a relationship between service quality dimensions and customer behavioural intentions. In addition to this Johnson and Sirikit (2002:694) also state that *“there is growing evidence that customer perception of service quality affects their behavioural intentions”*. These behavioural intentions may be either positive, for example retention or loyalty, or negative, for example defection or switching. It is therefore imperative that service providers not only anticipate to have a list of dissatisfied customers but that they *“understand the consequences of dissatisfaction”* (Edvardsson and Roos 2003:43). Companies that acknowledge this are better positioned to counter *“what erodes loyalty”* and also counter what causes a *“negative impact on profitability”* (Edvardsson and Roos 2003:43).

3.7.1 Customer Retention

Ranaweera and Prabhu (2003:376) define customer retention as “*the future propensity of a customer to stay with their service provider*”. In addition to this definition these authors add that “*they treat behavioural intentions and customer retention as synonymous constructs*”. In their article Ranaweera and Prabhu (2003:377) hypothesized that “*the higher the level of satisfaction, the higher the level of customer retention*”. This is based on the concept that customer satisfaction is an “*evaluation of an emotion, reflecting the degree to which the customer believes the service provider evokes positive feelings*” (Ranaweera and Prabhu 2003:377). Therefore when firms seek to manage and increase customer satisfaction through customer retention strategies, they should direct their focus on building a client base that is satisfied with the service and is therefore happy and willing to maintain the relationship with the firm.

A firm that is able to design a customer retention strategy is well placed to reduce customer defection because retention and defection work inversely together. In addition to this firms should be able to measure customer retention as a way of determining how successful their retention strategy is. This is so because it is not enough to have a strategy in place without tracking progress that is made with that strategy. According to DeSouza 1992:25 “*if customer retention is not measured, it will not be managed*”.

If the environment of the industry is characterised by “*mass service setting, satisfaction is the strongest driver of customer retention*” (Ranaweera and Prabhu 2003:388). The telecoms industry in Uganda is characterised by mass service setting. This study will therefore investigate if indeed satisfaction is the strongest driver of customer retention for the respondents in Kampala.

3.7.2 Customer Loyalty

In their article Chandrashekar, Rotte, Tax and Grewal (2007:153) are of the opinion that *“satisfaction strength plays a central role in the translation of stated satisfaction into loyalty”*. It is not enough to know that customers are satisfied with the service. Managers need to determine the strength of the satisfaction because this strength plays a key role in building loyalty. According to Reichheld and Sasser (1990) cited in Keaveney (1995:71) *“continuing customers increase their spending at an increasing rate, purchase at full-margin rather than discount prices and create operating efficiencies for service firms”*. *“Suppliers who do not sustain strong relationships with their customer base will often be the ones that are eliminated during this streamlining process”* (Johnson, Barksdale and Boles 2001:123).

Ranaweera and Prabhu believe that *“when switching barriers are high, service firms may continue to retain customers even if they are not highly satisfied”*. Chandrashekar et al (2007:153) argue that *“many customers who state that they are satisfied with a service provider subsequently switch to a competitor”*.

Service providers therefore need to investigate the reasons why customers are still with them. It is through such investigations that they are able to understand what the customers needs are and thus be in a position to fulfil them. It is therefore of great importance to keep customers that are loyal rather than maintain a customer base of unsatisfied customers who appear to be loyal but are in actual fact just waiting for the right moment to switch to the competitors.

This study will investigate why customers have chosen to stay with the service providers.

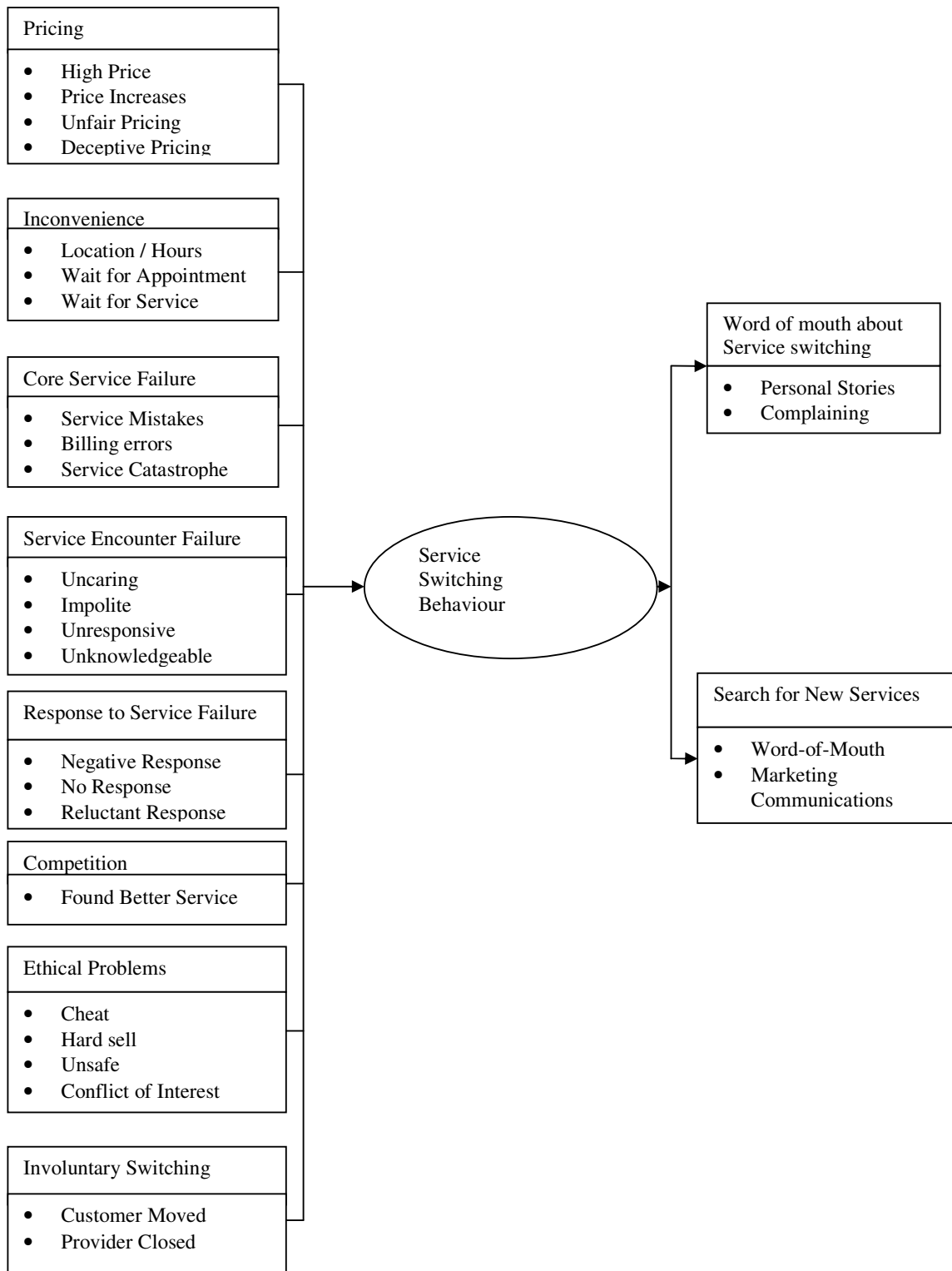
3.7.3 Customer Switching

“Preventing current customers from switching to other service providers is a very difficult task” (N’Goala 2007:510). However firms need to examine and understand the customer’s reasons for switching in order to come up with a strategy that will

effectively slow down customer switching. This is important because “*losing a customer is a serious setback for the firm in terms of its present and future earnings*” (Lopez, Redondo and Olivan 2006:556). This study will therefore be grounded in the argument by Keaveney (1995:71) that “*customer switching behaviour damages market share and the profitability of service firms*”. This is done “*through negative word of mouth, damage on brand image and reputation*” (Lopez et al, 2006:558).

Figure 3.4 below was used to investigate the customer’s service switching behaviour in service industries. The model lists pricing, inconvenience, core service failures, failed service encounters, employee response to failed service, competition, ethical problems and involuntary switching as reasons given by customers for defection. These reasons are divided into subcategories that are used to drill down to the main reasons for switching or defection.

Figure 3.4 A Model of Customers' Service Switching Behaviour



Source: Keaveney (1995)

According to the model above the author defines the categories and subcategories as follows:

Pricing: this category includes “*all critical switching behaviours that involved prices, rates, fees, charges, surcharges, service charges, penalties price deals, coupons or price promotions*”. The following subcategories are included “*high prices, price increase, unfair pricing practices and deceptive practices*” (Keaveney 1995:74).

Inconvenience category includes “*all critical incidents in which the customer felt inconvenienced by the service provider’s location, hours of operation, waiting time for service, or waiting time to get an appointment*” (Keaveney 1995:74).

Core Service failures include critical incidents “*that were due to mistakes or other technical problems with the service itself. The subcategories in this area included mistakes, billing errors and service catastrophes*” (Keaveney 1995:76).

Service encounter failures are “*personal interactions between customers and employees of service firms*” (Keaveney 1995:76). These are divided into the following subcategories: “*uncaring, impolite, unresponsive or unknowledgeable*” (Keaveney 1995:76).

Employee responses to service failures include “*critical switching incidents in which customers switched, not because of a service failure, but because service providers failed to handle the situation appropriately*” (Keaveney 1995:77). The subcategories included “*reluctant responses, failure to respond and patently negative responses*” (Keaveney 1995:77).

Attraction by competitors: this category includes “*critical switching incidents in which customers told stories about switching to a better service provider rather than from an unsatisfactory provider*” (Keaveney 1995:77).

Ethical problems include “*critical switching problems that described illegal, immoral, unsafe, unhealthy or other behaviours that deviated widely from social norms*”. The subcategories in this area were “*dishonest behaviour, intimidating behaviour, unsafe or unhealthy practices and conflicts of interest*” (Keaveney 1995:77).

Involuntary switching category “*included stories that described switching because of factors largely beyond the control of either the customer or the service provider*”. Reasons given range from “*the service provider had moved, the customer had moved or the insurance company or other third-party payer had changed alliances*” (Keaveney 1995:78).

According to (Keaveney1995:76) the consequences of service switching are “*word-of-mouth communications about the service switching incident*” that were either personal recounts of what happened or just complaints, or searching for a new service provider through word of mouth or through the marketing campaigns.

Executives therefore “*need research-based knowledge if they are to avoid the revenue-reducing and cost-incurring impacts of customer switching*” (Keaveney 1995:71). This study will therefore “*help managers and researchers understand service switching from the customer’s perspective*” (Keaveney 1995:71) by investigating the reasons for customer switching behaviour among mobile phone users in Kampala using the above categories and subcategories.

3.7.4 Customer Defection

According to Chandrashekar et al (2007:153) “*even as the literature on customer satisfaction burgeons and practitioners make great strides in dissecting databases to know which customers are less or more profitable, anticipation of defection remains*

an elusive goal'. However, Johnson *et al* (2001:131) is of the opinion that "an effective strategy to reduce defection rates can also impart a competitive advantage" (2001:131). Companies that leverage on their competitive advantage are able to remain ahead of the competition. Firms that therefore adopt strategies aimed at reducing customer defection are better placed to improve their customer base through retention and building of customer loyalty.

Dawes (2004:36) states that "customer defection is particularly problematic if new customers cost more to acquire than existing customers cost to service". Firms should always have a means of identifying customers who are likely to defect before they actually defect and engage them. This would ensure that the service provider gets the chance to address the concerns of such customers in a bid to prevent them from defecting and also in a bid to stop other customers from joining the bandwagon. In addition to this the negative word of mouth likely to be generated by such customers is also controlled.

Firms that successfully manage to intervene by stopping defection are also able to improve their customer retention rates and ultimately build a loyal customer base. This is achieved by reducing the numbers of "*vulnerable customers*" who are easy target for "*special attention via mailings, visits or telephone calls*" (Dawes 2004:35) from the competition.

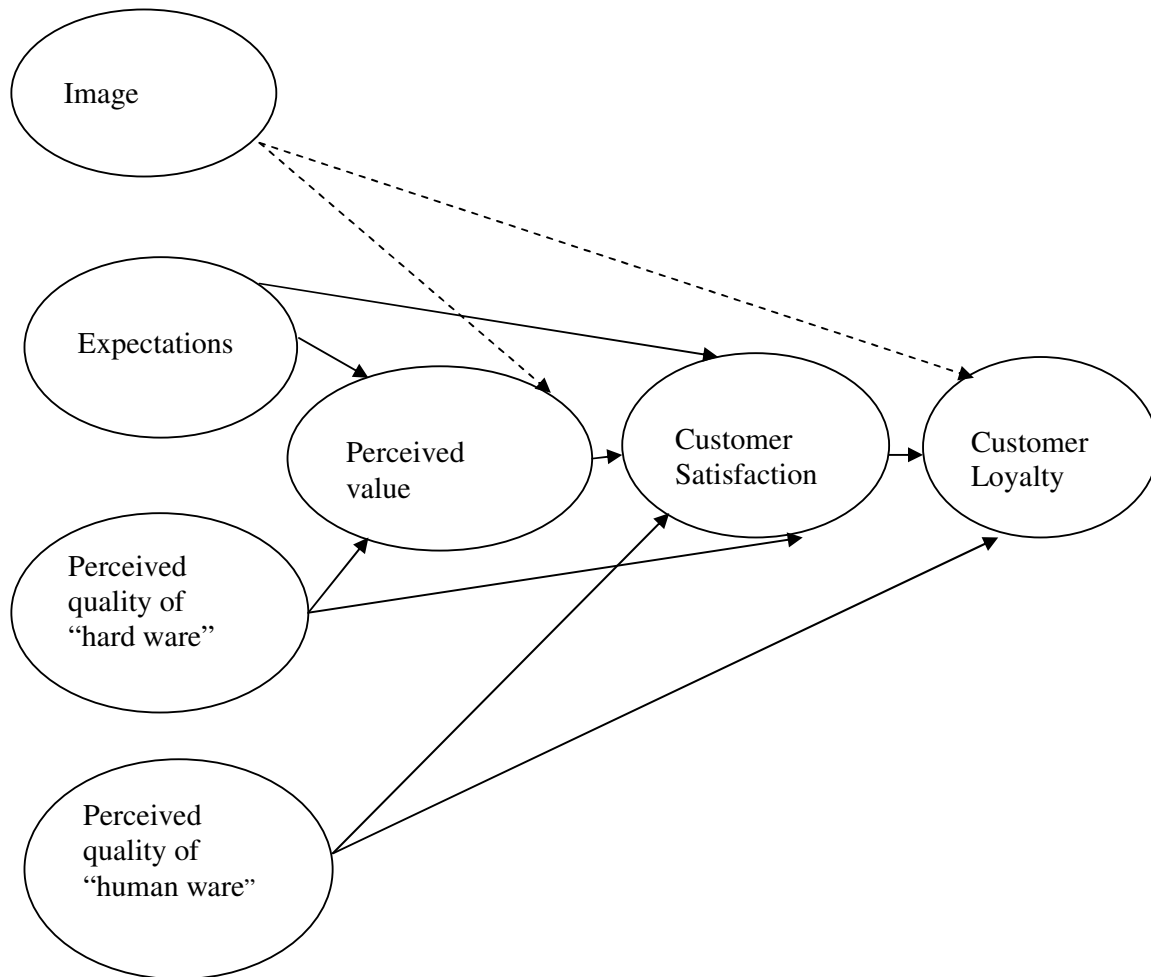
The following model which serves to emphasise the dependencies inherent in the relationship between service quality, customer satisfaction and the resultant behavioural intentions was used by Martensen, Gronholdt and Kristensen (2000:544) in their analysis of the drivers of customer satisfaction and loyalty in Denmark. The authors are of the opinion that by using the European Customer Satisfaction Index (ECSI) approach "*it is possible to obtain information about the levels of satisfaction, to understand customers' perceptions and the reasons behind these, and to calculate the impact in terms of future loyalty*" as these are "*crucial for a company's future performance*" (Martensen *et al* 2000:544).

According to this model company image, customer expectations, perceived quality and perceived value (value for money) are determinants of customer satisfaction. Perceived quality is made up of both product or hardware “*which consists of the quality of the product / service attributes*” and the service or humanware “*which represents the associated customer interactive elements in service*”, (Martensen *et al* 2000:545). The latter combines both the personal behaviour and atmosphere of the service environment.

The dependencies in this model result in customer loyalty (retention) which is a positive behavioural intention of customer satisfaction. Service quality therefore has “*a positive effect on customers’ repurchase intentions (loyalty), which leads to more interactions and/or transactions*” (Venetis and Ghauri 2004:1578). In their findings these authors conclude that “*service quality has a direct influence on customers’ intentions directly*” (2004:1592).

“*Service quality and customer satisfaction are widely recognised as key influences in the formation of customers’ purchase intentions in the service environments*” (Taylor and Baker 1994:163). The need to investigate the relationship between service quality perceptions and customer satisfaction judgements in determining the purchase intentions of customers plays a role in understanding how customers perceive the services they receive. Taylor and Baker (1994:172) are of the opinion that the “*positive influence of service quality on purchase intentions is greater when satisfaction is also greater*”. These authors add further that “*the highest level of purchase intentions appears observed when both service quality perceptions and satisfaction judgements are high*” (Taylor and Baker 1994:172). By understanding these interactive relationship management is able to understand the needs of the customer better and address it accordingly. In addition to this management is better placed to assess “*potential interactive relationships between service quality perceptions and consumer satisfaction judgements*” (Taylor and Baker 1994:173).

Figure 3.5 The Basic ECSI Model



Source: Martensen, Gronholdt and Kristensen (2000)

According to Bolton 1998:45, "service organisations should be proactive and learn from customers before they defect by understanding their current satisfaction levels".

3.8 Conclusion

The above literature review is the basis on which the proposed study of mobile phone users in Kampala will be based. The aspects and relationships discussed above will be compared to see if these findings can also be applied in a similar manner to the setting in an African country where the dynamics in the business environment, the economy and the social environment are different or if indeed the situation differs.

Chapter Four

Research Design and Methodology

4.1 Introduction

The statement of the problem that this study investigated was that customer service has an impact on customer satisfaction which determines the behavioural intentions of the customer. If customers are therefore not satisfied with customer services, service providers may not be able to retain unhappy customers. Therefore if service suppliers do not understand how customers perceive their services it may have a direct impact on customer defection.

The research problem that was investigated in this study was that telecom service providers in Uganda have predominantly focused all their efforts on the technical offerings of the services and products they have in the market. However, according to literature the financial success as well as the growth of an industry is directly linked to the satisfaction of the customers. This customer satisfaction is determined by the quality of service offered.

As a result of the above research problem, this study investigated the impact that service quality has on customer satisfaction among telecom customers in Kampala. The study also investigated the outcome of customer satisfaction.

The following four investigative questions were applied in the study:

The first investigative question was:

What is the perception of mobile phone users in Kampala of the customer service they get from their service providers?

The second investigative question was:

What is service quality to the mobile phone users in Kampala?

The third investigative question was:

What makes mobile phone users in Kampala satisfied with the service?

The fourth investigative question was:

What happens when the mobile phone users are not satisfied with the service they get?

In this chapter the procedure of the research (methodology) and the reasons for this choice of procedure will be presented. It includes the research design, area of study, sampling design and population, measurement of sample size as well the analysis of the data from the survey. This section also identifies the techniques that were used to extract data from the respective sources.

First deductive versus inductive reasoning will be discussed. This will be followed by a discussion of a qualitative and quantitative research approach. A detailed description of how the study is created will then be given in a step by step process.

4.1.1 Deductive versus Inductive Research

Researchers use various tools to understand the unknown. Among these tools are deductive logic, inductive reasoning, the scientific method, critical thinking and collaboration with others.

This section will only analyse the first two of these tools, namely inductive reasoning and deductive reasoning, because these two approaches were applied to “interpret data and arrive at a logical conclusion” (Leedy and Ormond 2005:31) to the meaning of the data collected.

Deductive reasoning is “extremely valuable for generating research hypotheses and testing theories” (Leedy and Ormond 2005:32). The researcher in this case used existing theories and investigated these empirically, using different methods. Existing

theories are therefore the basis of deciding what information should be selected, how it should be understood and also how to relate the findings to the theory.

Inductive reasoning on the other hand entails the use of “specific instances or occurrences to draw conclusions about the entire classes of objects or events” (Leedy and Ormond 2005:32). The researcher observes a sample and then draws conclusions about the population from which the sample was drawn. Conclusions are therefore founded on empirical data.

This study applied a deductive approach to draw conclusions about the findings using hypotheses and testing the theories as discussed in the previous chapter (3).

4.1.2 Qualitative and Quantitative Research

A research methodology can be either qualitative, quantitative or a mixture of both these methods. Qualitative and quantitative research methodologies refer to the way in which one chooses to treat and analyse the selected data. Each type of the methodology has its advantages and disadvantages and neither one can be taken to be better than the other one. The choice therefore is based on which one best suites the purpose of the study and the research questions selected.

A qualitative research methodology focuses on “*phenomena that occur in natural settings*” and involves “*studying those phenomena in all their complexity*” (Leedy and Ormond 2005:133). This type of research methodology is inductive in nature and is therefore based on interpretative theory.

The benefits of a qualitative research methodology include an in-depth understanding of the topic within the context. It is characterised by rich, complete and detailed descriptions of the research topic. The qualitative approach therefore serves the following purposes, namely interpretation, verification, description and evaluation.

The research designs under this methodology include case studies, ethnography studies, phenomenological studies, grounded theory studies and content analysis.

A quantitative research methodology on the other hand focuses on “*identifying the characteristics of an observed phenomenon or exploring possible correlations among two or more phenomena*” (Leedy and Ormond 2005:179). This approach is based on the positivist theory or deductive reasoning which involves a systematic and objective investigation of the phenomena under study. It is also characterised by quantification and mathematical model development as a means of analysis. The research designs in quantitative research methodologies are observation studies, correlational research studies, developmental designs and survey research.

This study adopted a descriptive quantitative research methodology approach in which the hypotheses above were investigated to establish the casual links between them. This resulted in the acceptance or rejection of the theoretical propositions that have been stated above in the literature review.

4.2 Research Methodology

The quantitative research methodology that was used to analyse the numerical data collected was applied in a rigorous, well planned and systematic process. The choice of this approach was determined by the fact that this study attempted to answer questions about the relationships between customer service and customer satisfaction “*with the purpose of explaining phenomena*” (Leedy and Ormond 2005:94). The intention is therefore to establish, confirm and validate relationships objectively and to develop generalizations that will make a contribution to the body of existing theory.

The primary data collected was used without changing it in anyway. The researcher therefore was able remain unbiased. The sample selected was representative of the population as will be laid out in the section under sampling.

The respondents were asked to assess items of different constructs such as factors viewed as antecedents of service quality, customer satisfaction and customer value in terms of their perceptions.

Although the research problem was based on the situation among mobile phone users in Kampala, Uganda, the research questions were developed from the already existing theories. Deductive reasoning was applied throughout the study using existing theories. These theories were investigated empirically with different methods. These existing theories were therefore the basis for deciding what type of information to use in the study.

The findings of the research questions were compared to reality and this process was wrapped up with the drawing of logical conclusions from the findings. These findings were then presented in statistical style.

4.3 Research Design

A correlational study design was used to examine the extent to which the variables under study are related to one another. According to Leedy and Ormond (2005:180), *“a correlational study examines the extent to which differences in one characteristic or variable are related to differences in one or more other characteristics or variables”*.

The purpose of this study therefore was to determine if a correlation exists between customer service and customer satisfaction and also between the latter and the different outcomes of customer satisfaction.

In addition to the above this study did not attempt to determine a cause and effect relationship between these variables because correlational research looks at the surface relationships only without necessarily probing for casual reasons underlying them. This study did not include secondary data and only applied cross sectional data given the short time allocated to the project.

4.4 Sample Selection

“A sample is a part of something larger, called a population” (Diamantopoulos and Schlegelmilch 2005:10). According to Leedy and Ormond (2005:199) *“the sample should be so carefully chosen that, through it, the researcher is able to see all the characteristics of the total population in the same relationship that they would be seen were the researcher, in fact, to examine the total population”*.

The researcher has to make a choice between a census and sampling. According to Diamantopoulos and Schlegelmilch (2005:11) the advantages of sampling are lower cost, greater accuracy of results, greater speed of data collection and easier accessibility to the population. The choice of which approach to take will therefore depend on the benefits of the sampling method.

4.4.1 Study Population

Respondents were selected from Kampala because it was easy to get access to subscribers from the three telecoms companies in the business district.

In addition to this the geographical area that was covered in the data collection was limited to respondents who are gainfully employed in offices, the majority of whom are also literate. The purpose of this was to enhance the quality of data collected by the questionnaire using respondents who are in position to understand the variables under study. The questionnaire was therefore written in English and did not require a translation into the various local languages.

4.4.2 Size

A sample of 200 respondents from all the three telecoms company was used. The expected response rate is 50%. Sample size is important because it gives the basis for the sampling error. If the sample is too small it does not give enough statistical power to reject the null hypothesis.

4.4.3 Sampling Designs

While considering sampling over a census the researcher has to make a distinction between probability sampling and non-probability sampling designs.

Probability sampling: “each element in the population has a known, non-zero probability of being included in the sample” (Diamantopoulos and Schlegelmilch (2005:13). The sample elements in probability sampling are therefore selected by chance. The researcher in this case has to make inferences from the sample about the population in order to answer the research questions and thus achieve the research the objectives set out in the study.

Non-probability sampling: this happens when the selection of the sampling elements is left to the discretion of the researcher and no deliberate efforts are made to ensure that the sample is statistically representative of the population. The researcher uses subjective methods such as personal experience, expert judgement or even convenience to select the sample elements. The probability of being selected is therefore not known.

This study applied non-probability sampling based on convenience because of the time constraints. Respondents were therefore selected from specific work places.

Sampling in a quantitative research methodology requires the researcher to do probability sampling that is fully representative of the large study population that should be randomly selected and then make inferences as already mentioned above.

The population of mobile phone users in Kampala is currently over four million subscribers. It was therefore not possible to include all of them in the sample. The questionnaires were distributed using convenient sampling. The ten research assistants each with twenty questionnaires went to offices within the central business district and selected the respondents to whom the questionnaires were distributed.

4.5 Data

“Research seeks through data to discover the underlying truths” (Leedy and Ormond 2005:89). The objective of data collection therefore is “always to secure responses from an individual with regard to certain characteristics of interest” (Diamantopoulos and Schlegelmilch 2005:1). It is these underlying truths once collected that are then analysed by the researcher using the research methodology.

Data can be described as transient, volatile and ever changing. The researcher should therefore be aware of these characteristics of data and take it into consideration when selecting the type of data that will be used in the research. Data can take the form of facts, awareness (knowledge), intentions, attitudes (opinions) or even motives. It can further be subdivided into primary data or secondary data.

Primary data: “these are often the most valid, the most illuminating, the most truth-manifesting” (Leedy and Ormond 2005:89) truths. Primary data is collected through observation, written questionnaires or through oral interviews.

Secondary data: “are derived not from the Truth itself, but from the primary data instead” (Leedy and Ormond 2005:89). This type of data may be extracted from government sources, publications, personal records or even a census.

The researcher may choose to use either the primary data only or a combination of both and will also choose the research methodology based on the type of data that has to be collected.

4.5.1 Sources of Data

The cross sectional data that was used in this study was primary data collected from the respondents (mobile phone users in Kampala). The primary data collected was therefore a reflection of the perceptions of the respondents during the period of data collection.

A well written cover letter was sent out requesting the respondents to participate in the research stating the benefits of the study to the respondents. Respondents were requested to confirm in writing their willingness to participate.

4.5.2 Data Collection Methods

The data was collected through a survey which involved “acquiring information about one or more groups of people – perhaps about their characteristics, opinions, attitudes or previous experiences” (Leedy and Ormond 2005:183). A survey strategy of data collection is a popular approach that is usually associated with data collection from a sizeable population and it is a highly economical way of collecting data. This approach enables the researcher to learn about the attitudes, opinions, expectations

and intentions of the participants through the use of survey techniques. By using this approach the researcher can inquire about subjects or topics and even past events that are exclusively internal to the participant.

In this study data was collected on the views, opinions, intentions, attitudes and expectations from a sizeable population of mobile phone users in Kampala. As a result a survey strategy was used to collect the data.

The selected survey technique for this study is a self-administered survey. This technique was selected over personal interviews and telephone interviews because the researcher in this case is able to deliver printed questionnaires to the participants, allows these participants time to think through their answers and also to recollect their experiences. According to Leedy and Ormond (2005:185) "*participants can respond to questions with assurance that their responses will be anonymous*" (Leedy and Ormond 2005:185). These participants may be more truthful when giving their opinions than they would be in a personal interview.

The self administered questionnaire based on the five dimensions of service quality and on customer satisfaction and the resultant behavioural intentions was developed. This questionnaire was written in English.

Willing respondents were identified using the questionnaire consent cards which had been signed prior to the data collection exercise. Ten research assistants delivered the questionnaires to the willing respondents during working hours at their areas of employment. This was the most suitable means of distributing and collecting the questionnaires because the majority of people in Kampala, Uganda do not have access to mail boxes. Secondly most of these respondents do not have access to an email address and were therefore very difficult to access through this medium. However, those respondents who preferred to get a soft copy of the questionnaire on email received their copies electronically. The respondents completed the questionnaire at their convenience and in the absence of the research assistant.

The research assistants also took the opportunity of requesting for an appointment to collect the completed questionnaire on the day that they delivered the questionnaires to the respondents. They therefore did not turn up unexpectedly at the respondent's place of employment. As a result there was minimum disruption to the work schedules of the respondents. In addition to making the entire study convenient for the participants the researcher was able to estimate the response rate ahead of time. This was done using the rate of those who did not commit by making an appointment for the researcher to return and collect the questionnaire.

An envelope was delivered together with the questionnaire. This was used by the respondents after completing the questionnaire to maintain confidentiality of the responses given from the research assistants. Those who opted to send the completed questionnaires electronically did so to the email address furnished.

Non response error is one of the disadvantages of self-administered surveys. To reduce non response error a cover letter was used to inform the participants about what this study is about, anonymity promises were made in the cover letter, proper instructions were given on the questionnaire, a questionnaire consent card was given out prior to the research and lastly the questionnaires were given to those respondents who expressed consent to participate in the survey. The participants were implored to seek their participation in the study aimed at presenting the concerns of the customer to the mobile network providers in Uganda.

4.5.3 Data Analysis Methods

This process started as soon as the completed questionnaires were returned. The first step was to ensure that the data collected was accurate. The raw data was then converted from this state to a reduced and classified form that was more appropriate for analysis. This process can be described as "preparing the data for analysis by means of editing and coding" (Diamantopoulos and Schlegelmilch 2005:39). The second step involved transforming the data into results.

Data Preparation

Editing “aims at avoiding errors in the data matrix questionnaires” (Diamantopoulos and Schlegelmilch 2005:40). This process entailed dealing with ambiguous, consistent or missing data from the questionnaires. The respondents were not involved in this stage of the analysis and the responsibility of clarifying the ambiguous, inconsistent or missing data rested with the researcher alone.

Coding is a very important stage in the data preparation process because once a mistake is made during coding it becomes very difficult to correct at a later stage. The completed questionnaires were “transformed into symbols which can be understood by a computer” (Diamantopoulos and Schlegelmilch 2005:43) in the data entry process. Numbers or other symbols to the answers given in the questionnaires were grouped into classes or categories. These responses were then summarised in “percentages, frequency, counts or more sophisticated statistical indexes” (Leedy and Ormond 2005:184).

The database created above was then analysed by SPSS using multiple regression analysis, Spearman’s rank- order correlation and the SERVQUAL scale. Specific items were developed for each of the following factors (tangibles, reliability, responsiveness, assurance, and empathy) either by modifying the SERVQUAL scale or from the quantitative analysis. The statements selected brought out customer satisfaction, service quality and the behavioural intentions of the respondents.

4.6 Measurement of Variables

The SERVQUAL instrument (scale) was applied to determine the expectations and quality of service using the five dimensions of empathy, responsiveness, reliability, tangibles and assurance as was done by Parasuraman, Zeithaml and Berry in their study in 1998.

Inferential statistics was then used to make inferences about the variables measured for the large population by estimating the population parameter from the random sample selected and testing the hypotheses by applying statistical tests to the numerical data collected.

In order to determine how the variables are related to each other, measures of relationship were applied to determine the correlation. By determining the correlation coefficient the researcher was able to establish the direction of the correlation as well as its strength. The numerical data was analysed using regression analysis and the Spearman's rank-order correlation. These are parametric tests which are superior tests when it comes to accuracy.

Validated instruments were used in this study. Construct validity was therefore not determined. However the instruments were tested for internal consistency reliability. The double blind experiment in which the respondents and the research assistants did not know the research hypotheses was applied in the study. This eliminated reactivity (Hawthorne effect) while ensuring that the conclusions drawn were based on the findings and were therefore actually warranted from the data collected.

The external validity of the findings confirmed "the extent to which the conclusions drawn can be generalized to other contexts" (Leedy and Ormond 2005:99). This external validity of the research methodology was enhanced further by using a real life setting in which respondents are current subscribers themselves. To further enhance the external validity a representative sample of the population of mobile phone users was used and an attempt to replicate the findings of previous researchers in similar studies was done even though these studies were done in different contexts i.e. in a third world African country.

4.7 Limitations of the Research

The following limitations were experienced during the research:

1. Some of the respondents did not complete the questionnaires. There was therefore a limited sample size.
2. Missing data resulting from item non response was a problem experienced during the editing process of data preparation.
3. Some of the research assistants did not turn up for work. This was a barrier to the speedy data collection. Additional research assistants were therefore signed up last minute for the exercise to cater for the unplanned shrinkage.
4. Only 20 of the 22 SERVQUAL items were tested.
5. The sample was confined to respondents in the central business district of Kampala only. This is in line with the geographical scope that was identified and also in line with the limited time that was available to carry out this study. However it would have been useful to spread out the research into other areas in order to get more views on this research topic.
6. The lack of an independent source to verify the market share of the three telecoms provider was a limitation to the study because the researcher was unable to utilise this information in the study.
7. The use of non probability sampling reduced the chances of the respondents being selected by chance. The sampling was therefore based on subjective judgements.

4.8 Conclusion

In spite of the above limitations experienced during the research the data collection exercise was concluded in three weeks time. The response was 60% which turned out to be much better than the 50% projected at the beginning of the study.

Chapter Five

Research results

5.1 Introduction

In this chapter the results from the study will be presented in graphical and tabular format based on the responses given by the respondents. The results are impersonal, rule based and formal. It has therefore been interpreted within the limitations and constraints of the research, with responsibility and honesty.

A total of 200 respondents received questionnaires but only 120 responded. This response rate of 60% was achieved and deemed acceptable. Descriptive, inferential and partial least square methods were used to analyse the data.

5.2 Descriptive Results

The following are the demographic distributions of the sample.

5.2.1 Age Distribution

The table below gives a break down of the age groups of the respondents who participated in the study.

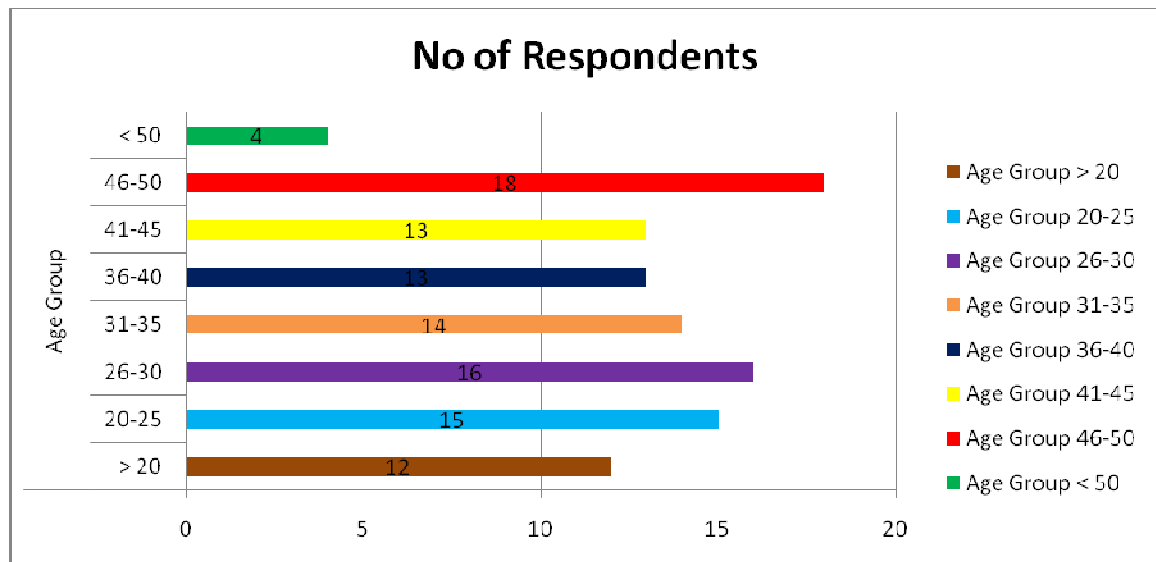
Table 5.1 Age Distribution of the Respondents

Age	Frequency	Percent	Cumulative Percent
> 20	12	11.43	11.43
20 – 25	15	14.29	25.72
26 – 30	16	15.24	40.95
31 - 35	14	13.33	54.29
36-40	13	12.38	66.67
41-45	13	12.38	79.05
46-50	16	17.14	96.19
over 50	4	3.81	100.00
Total	105	100	

Table 5.1 above indicates that 15 of the respondents preferred not to disclose their age brackets thus giving a high non response sample .

The graph below presents a graphical presentation of the data in table 5.1 above.

Graph 5.1 Age Distribution of the Respondents



Respondents represented customers from a range of ages. The highest percentage of 17.14% of the respondents was in the age group of 46-50 years of age. 15.24% of the respondents were between 26 and 30 years of age while 14.29% were between 20 and 25 years of age. The lowest percentage (3.81%) was for respondents above 50 years of age. The different age groups were therefore well represented in the study.

5.2.2 Gender Distribution

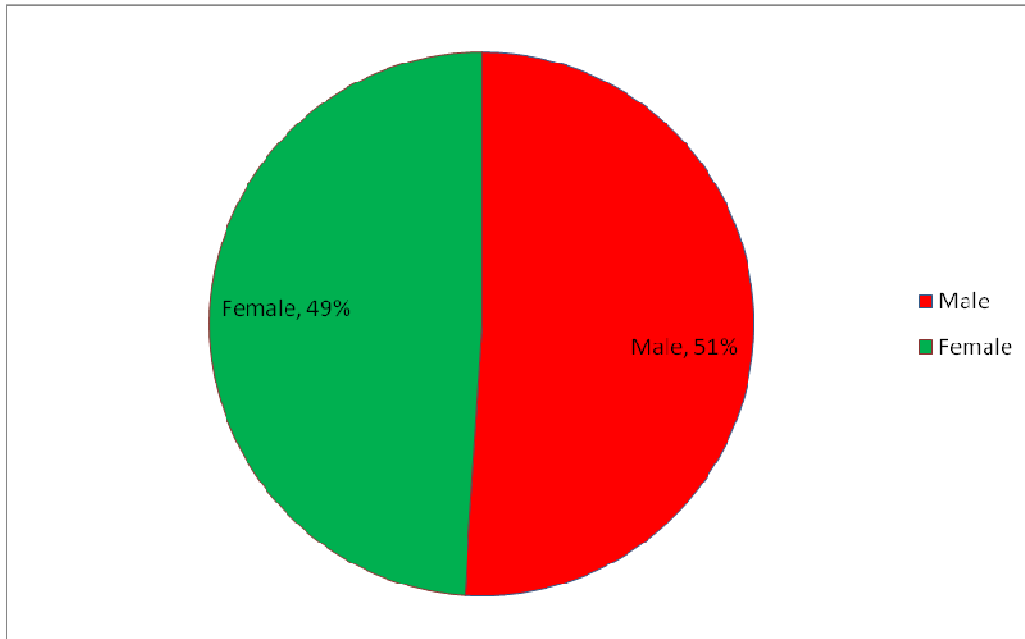
Table 5.2 below shows the gender distribution of the respondents who participated in the study.

Table 5.2 Gender Distribution of the Respondents

Gender	Frequency	Percent	Cumulative Percent
Male	61	50.8	50.8
Female	59	49.2	100
Total	120	100	

The following pie chart shows the percentage gender distribution of the data in table 5.2 above. The number of male and female respondents was therefore well distributed and these findings indicate that the sample was representative of the population.

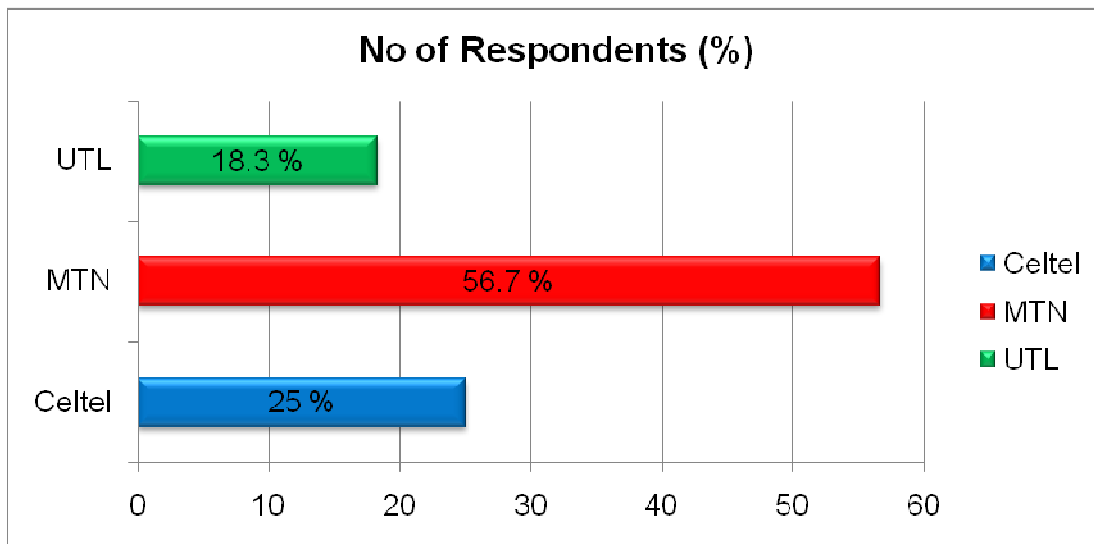
Chart 5.1 Gender Distribution of the Respondents



5.2.3 Mobile Phone Network Service Providers

Graph 5.2 below gives a breakdown of the respondents according to the three different service providers.

Graph 5.2 Mobile Phone Network Service Providers

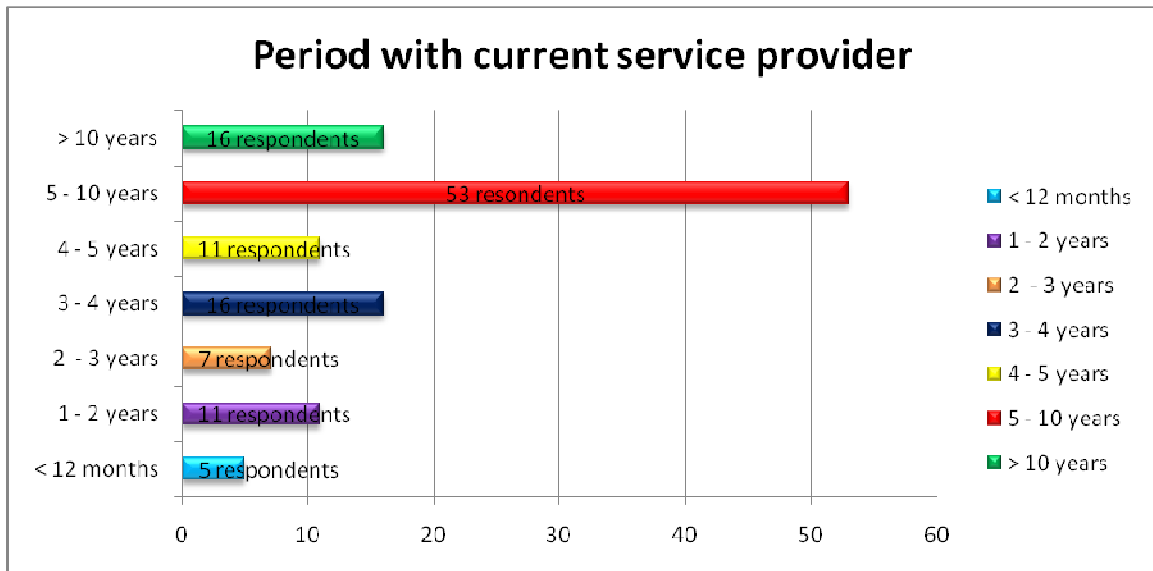


The findings indicate that the majority of the respondents (56.7%) were MTN subscribers, 25% were CELTEL subscribers and 18.3% were UTL subscribers. The sample was therefore representative of the three companies. However, due to the lack of an independent source that has verified the market share of the three telecoms providers, it was impossible to link these findings to the actual market share of the three companies.

5.2.4 Period with Current Service Providers

Graph 5.3 below gives a breakdown of how long the respondents have been subscribing to the current service provider.

Graph 5.3 Period with the Current Service Provider



The largest percentage of respondents had been subscribing to their current service provider for more than 5 years but less than 10 years. This therefore means that the respondents who participated in this study are well informed about the type of service they are currently receiving from the service providers. These respondents were therefore able to give their perceptions and expectations of the quality of service by answering the questionnaire.

5.2.5 Descriptive Measures of the SERVQUAL Scale

The following table below gives a breakdown of the descriptive measures of the five dimensions of service quality that were tested by the questionnaire.

Table 5.3 Descriptive Measures of the Service Quality Dimensions

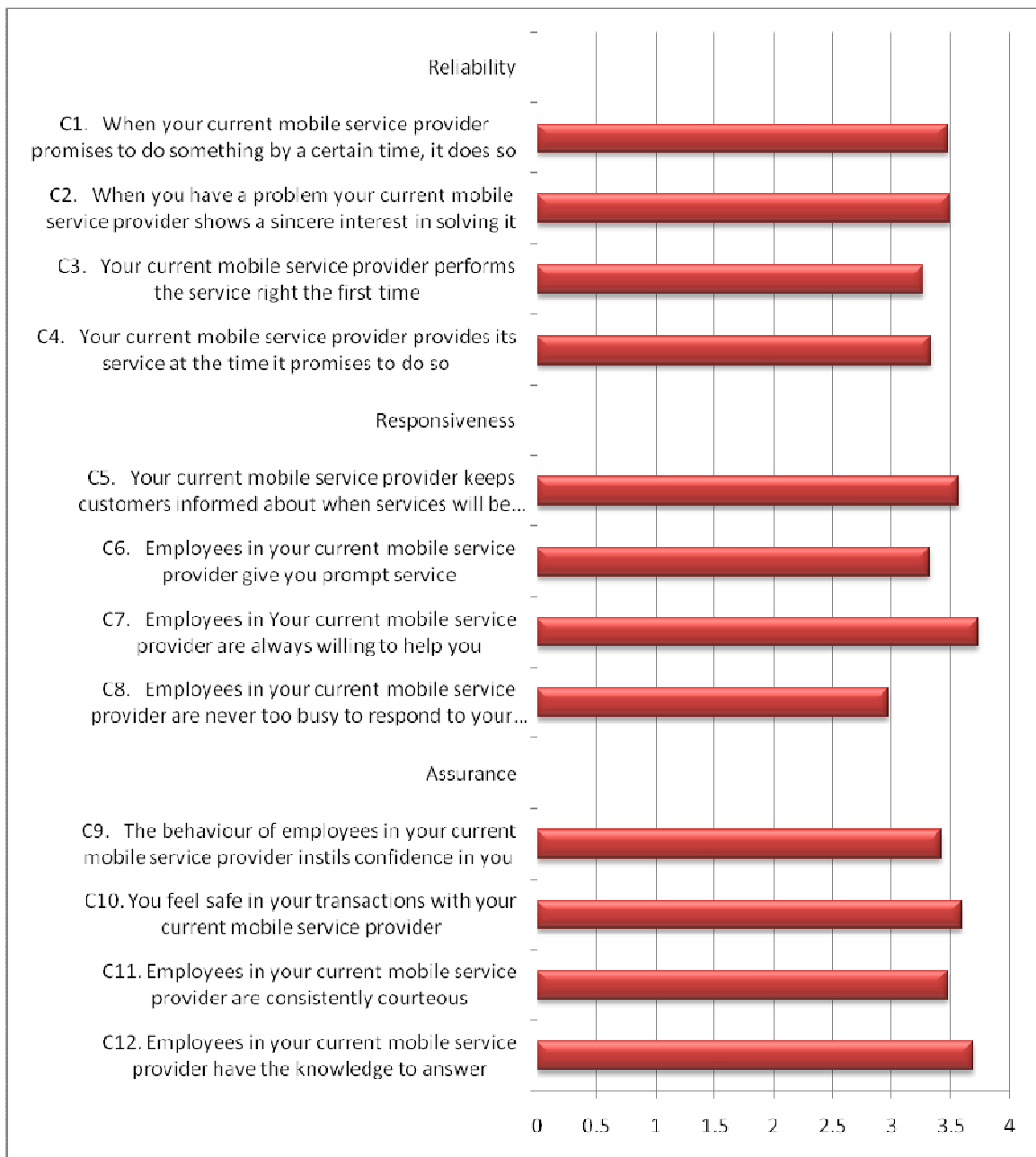
			N	Min	Max	Mean	Std Deviation
Reliability	C1	When your current mobile service provider promises to do something by a certain time, it does so	118	1	5	3.47	0.89
	C2	When you have a problem your current mobile service provider shows a sincere interest in solving it	119	1	5	3.49	0.92
	C3	Your current mobile service provider performs the service right the first time	118	2	5	3.27	0.92
	C4	Your current mobile service provider provides its service at the time it promises to do so	115	1	5	3.33	0.87
Responsiveness	C5	Your current mobile service provider keeps customers informed about when services will be performed	119	1	5	3.56	0.87
	C6	Employees in your current mobile service provider give you prompt service	119	1	5	3.32	0.91
	C7	Employees in Your current mobile service provider are always willing to help you	119	1	5	3.73	0.78
	C8	Employees in your current mobile service provider are never too busy to respond to your requests	118	1	5	2.97	1.06
Assurance	C9	The behavior of employees in your current mobile service provider instills confidence in you	117	1	5	3.42	0.86
	C10	You feel safe in your transactions with your current mobile service provider	116	1	5	3.59	0.87
	C11	Employees in your current mobile service provider are consistently courteous	115	1	5	3.47	0.81
	C12	Employees in your current mobile service provider have the knowledge to answer	118	1	5	3.69	0.78
Empathy	C13	your current mobile service provider gives you individual attention	119	1	5	3.18	0.99
	C14	Your current mobile service provider has employees who give you personal attention	116	1	5	3.05	0.97
	C15	Your current mobile service provider has your best interests at heart	118	1	5	3.09	0.85
	C16	Employees of your current mobile service provider understand your specific needs	118	1	5	3.21	0.86
	C17	Your current mobile service provider has operating hours that are convenient	116	1	5	3.16	1.11
Tangibles	C18	Your current mobile service provider has modern-looking equipment	114	2	5	3.7	0.72
	C19	Your current mobile service provider's physical facilities are visually appealing	113	1	5	3.79	0.78
	C20	Materials associated with the service are visually appealing at your current mobile svc provider	117	1	5	3.89	0.91

The analysis in table 5.3 above indicates that the lowest mean is 2.97 on C8 while all the other means lie between 3 and 4. The findings indicate that the highest mean is on C20 at 3.89.

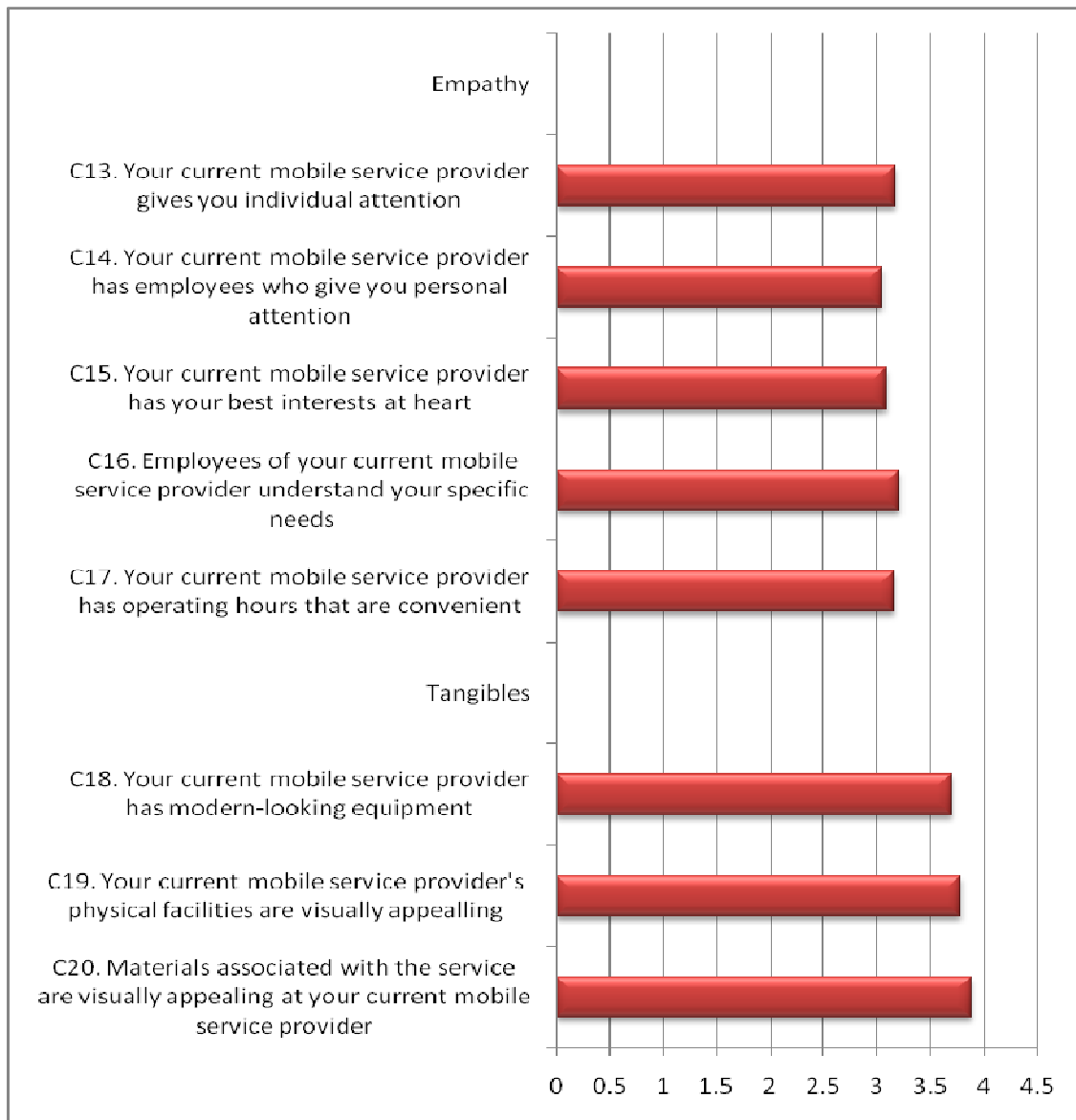
On average therefore the respondents are of the opinion that the service providers deliver on the different elements of the service quality dimensions. However, none of the means for the 20 questions of the service quality dimensions lie above 4. These findings indicate that the customers still expect more in the quality of service given by the service providers.

Graph 5.4 **PlotPlots** of Means of Service Quality Dimensions

The following graph gives a graphical presentation of the findings in table 5.3 above.



Graph 5.4 Plot of Means of Service Quality Dimensions (continued)



5.2.6 Calculation of the Service Quality Dimensions Composite Scores

The various perceptions under each service quality dimension were grouped together using the formulas in table 5.4 to give various composite scores.

Table 5.4 Service Quality Dimensions Composite Scores

Reliability	= (C1+C2+C3+C4)/4
Responsiveness	= (C5+C6+C7+C8)/4
Assurance	= (C9+C10+C11+C12)/4
Empathy	= (C13+C14+C15+C16+C17)/5
Tangibles	= (C18+C19+C20)/3

The composite scores calculated using the formulas in table 5.4 above are given in table 5.5 below.

Table 5.5 Descriptive Statistics of the Service Quality Dimensions Composite scores

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Reliability	113	1.25	5.00	3.3894	.6123	.375
Responsibility	118	1.75	4.50	3.3941	.6092	.371
Assurance	111	2.00	4.75	3.5631	.5745	.330
Empathy	113	1.80	4.60	3.1345	.6276	.394
Tangible	111	1.67	5.00	3.7928	.6514	.424

Graph 5.6 below presents the information in table 5.5 for the five perceptions of service quality. The composite scores are above average for the five perceptions. Tangibles have the highest score of 3.79 followed by assurance with a score of 3.56.

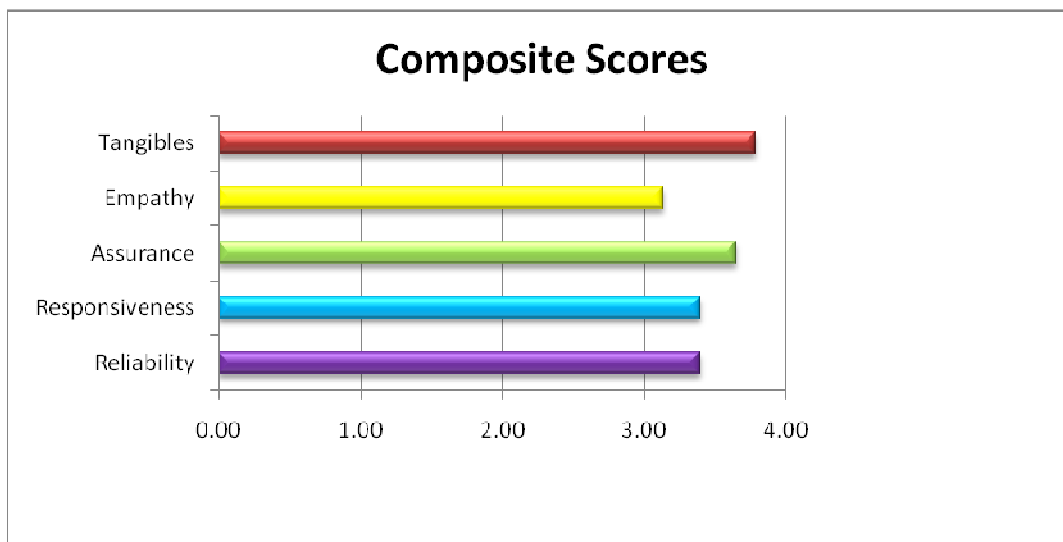
The least important perception according to the findings is empathy with a score of 3.13.

These findings indicate that the composite mean scores are all less than 4 for each service quality dimension and yet the maximum possible score is 5. The mean composite scores are above average but less than the mean maximum score.

The findings of the study indicate that currently the telecom service providers are perceived by the customers to be offering quality in service but that they still have room for improvement.

The findings indicate further that customers perceive tangibles to play a key role in determining the quality of service received whereas empathy plays a smaller role as depicted by the mean composite score of 3.13. This does not mean that it is not important as a service quality dimension. It is however ranked as the least important service quality dimension with a mean score above the average score of 2.5.

Graph 5.5 Composite Scores for Service Quality Dimensions



5.3 Inferential Statistics

Analysis of SERVQUAL's reliability in assessing service quality in the telecoms industry

Table 5.6 SERVQUAL's Reliability

Service Quality Dimension	Number of Items	Reliability coefficient	Items	Factor loadings
Reliability	4	0.8815	Q1	62
			Q2	76
			Q3	65
			Q4	56
Responsiveness	4	0.8913	Q5	91
			Q6	55
			Q7	64
			Q8	77
Assurance	4	0.8792	Q9	68
			Q10	63
			Q11	80
			Q12	77
Empathy	5	0.8298	Q13	51
			Q14	46
			Q15	70
			Q16	65
			Q17	88
Tangibles	3	0.7252	Q18	65
			Q19	40
			Q20	62
Total	5	0.9114		

The value of Q is obtained as follows:

$$Q = \text{perception} - \text{expectation}$$

The reliabilities were consistent for all the dimensions. The total scale reliability (reliability of linear combination) for each of the dimensions was approximately 0.91. Tangibles dimension has the lowest score of 0.73 while responsiveness has the

highest score of 0.89. The high reliabilities and consistent factor loadings structures provide support for the trait validity.

5.4 Normal Distribution

The following section gives the findings of the test for normality using Kolmogorov-Smirnov test and Blom's proportional estimation formula

5.4.1 Kolmogorov-Smirnov Test

Table 5.7 below gives the output of the one sample Kolmogorov-Smirnov Test. The results show that the sample has a normal distribution.

Table 5.7 Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test		RELIABILITY	RESPONSIVENESS	ASSURANCE	EMPATHY	TANGIBLE
N		113	118	111	113	111
Normal Parameters	Mean	3.3894	3.3941	3.5631	3.1345	3.7928
	Std. Deviation	0.6123	0.6092	0.5745	0.6276	0.6514
Most Extreme Differences	Absolute	0.115	0.144	0.159	0.104	0.162
	Positive	0.115	0.089	0.097	0.104	0.141
	Negative	-0.112	-0.144	-0.159	-0.098	-0.162
Kolmogorov-Smirnov Z		1.223	1.566	1.676	1.102	1.707
Asymp. Sig. (2-tailed)		0.1	0.015	0.007	0.176	0.006

Test distribution is Normal.

Calculated from data.

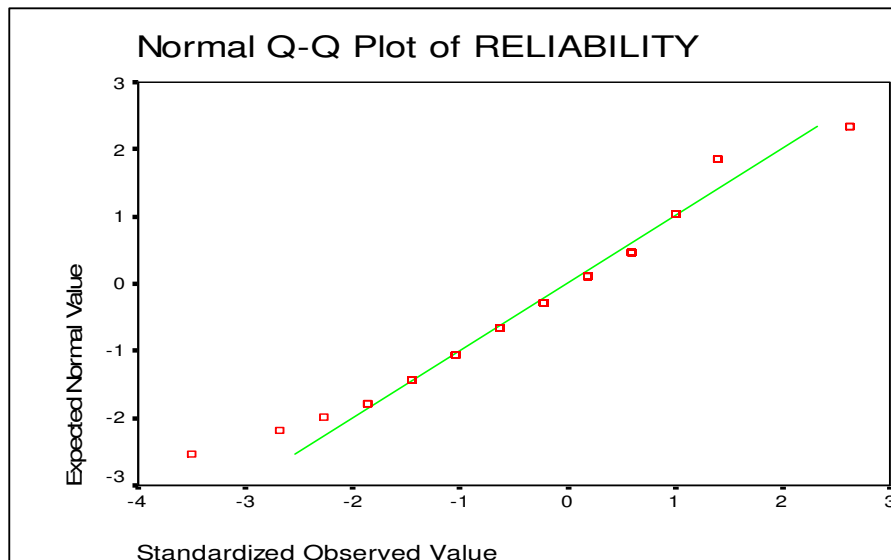
5.4.2 Blom's Proportional

The expected normal quantiles were calculated using Blom's Proportional estimation formula. The means were then assigned to the ties for each dimension. The findings are presented in a graphical format using the normal Q-Q and the detrended normal

Q-Q plots. The following graphs (5.6 to 5.15) below indicate the normal distribution for each service quality dimension. This is a further indication that the values in the study population are well distributed.

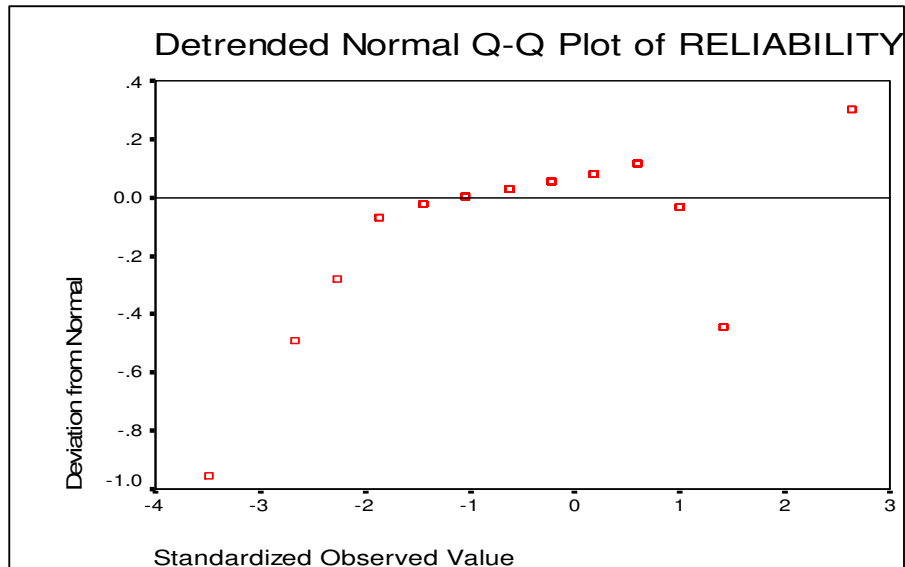
Reliability

Graph 5.6 Normal Q-Q Plot of Reliability



The normal Q-Q plot above shows that the data points representing the service quality dimension of reliability do not deviate seriously from the fitted straight line. They indicate that reliability is normally distributed.

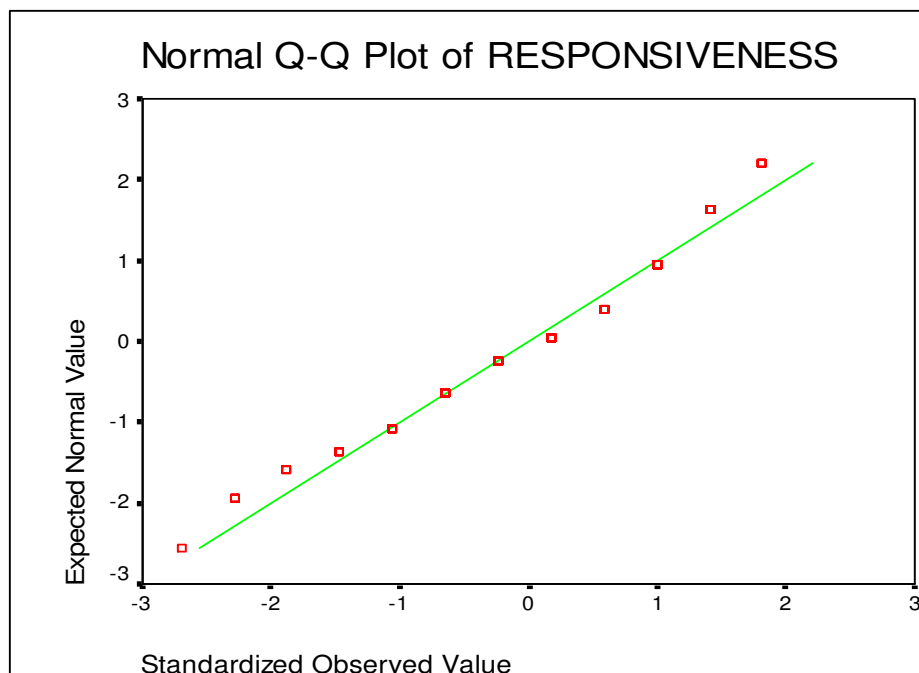
Graph 5.7 Detrended Normal Q-Q Plot of Reliability



The detrended normal Q-Q plot of reliability in graph 5.7 above shows that when joined with a line the data points form a normal distribution curve. However, there is one data point that lies outside the curve.

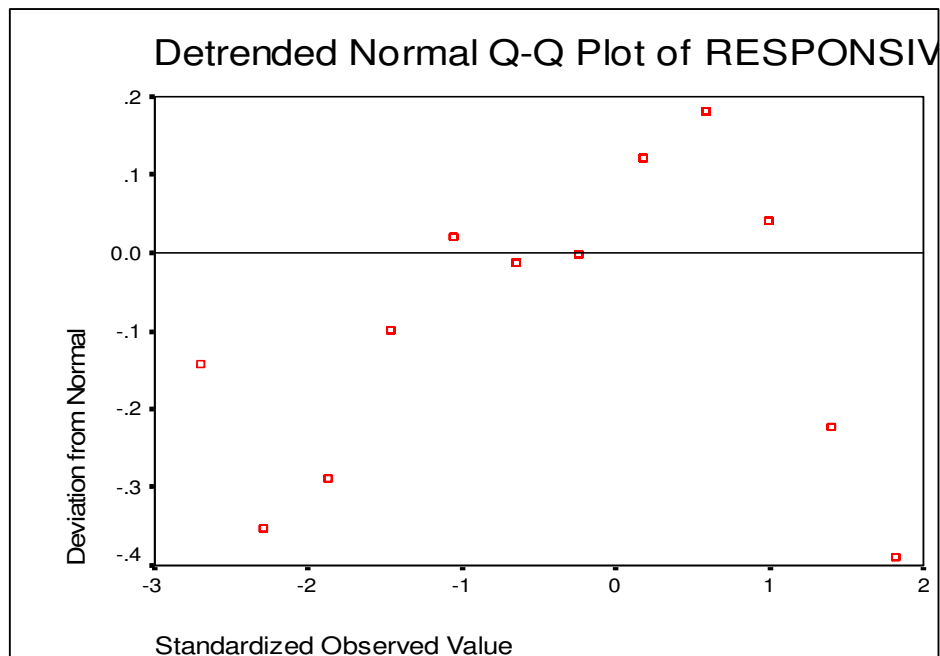
Responsiveness

Graph 5.8 Normal Q-Q Plot of Responsiveness



The normal Q-Q plot above shows that the data points representing the service quality dimension of responsiveness do not deviate seriously from the fitted straight line. They indicate that responsiveness is normally distributed.

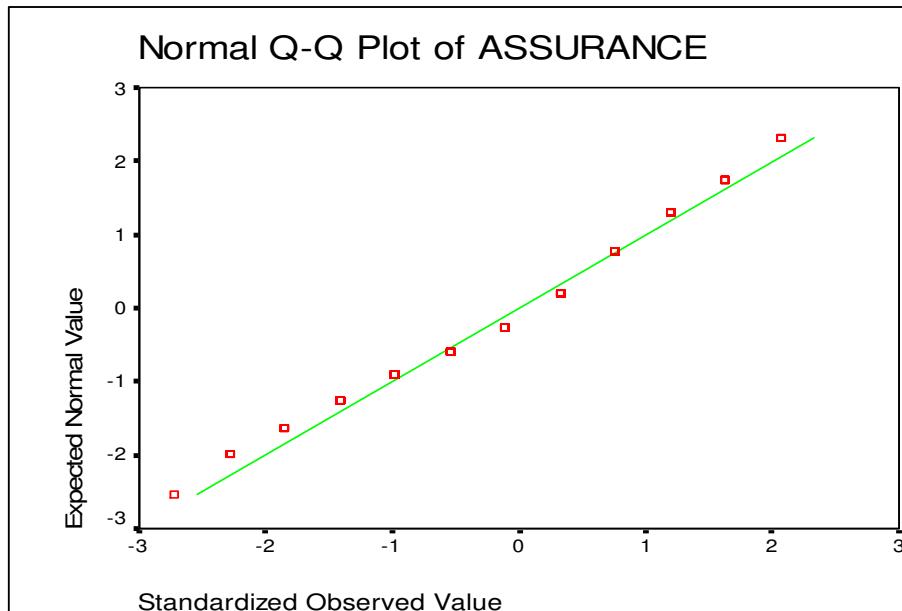
Graph 5.9 Detrended Normal Q-Q Plot of Responsiveness



The detrended Q-Q plot above shows that the data points do not seriously deviate from the fitted line. When joined by a line these points will indicate a normal distribution of the service quality dimension of responsiveness.

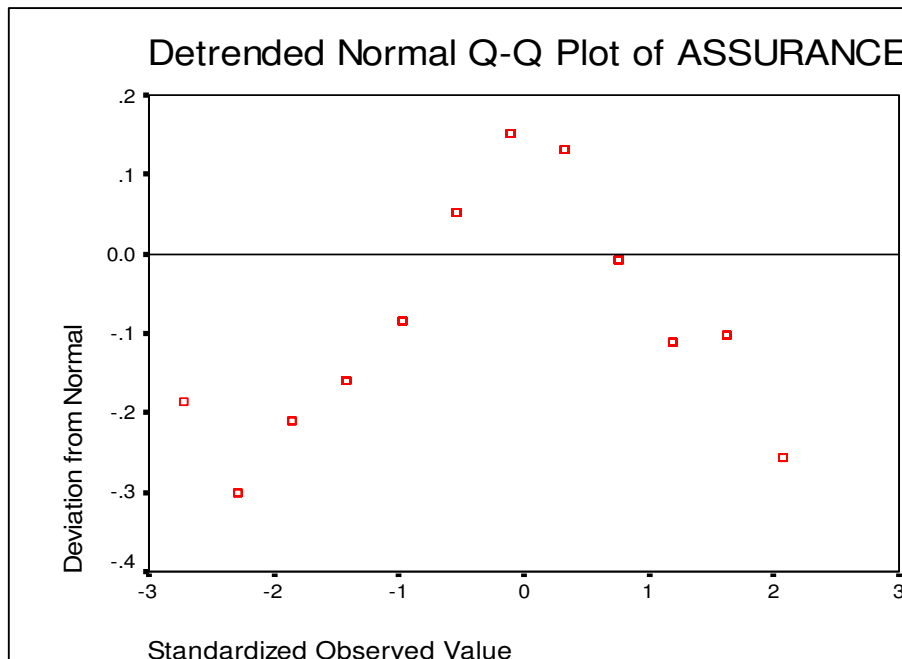
Assurance

Graph 5.10 Normal Q-Q Plot of Assurance



The normal Q-Q plot above shows that the data points representing the service quality dimension of assurance do not deviate seriously from the fitted straight line. They indicate that assurance is normally distributed.

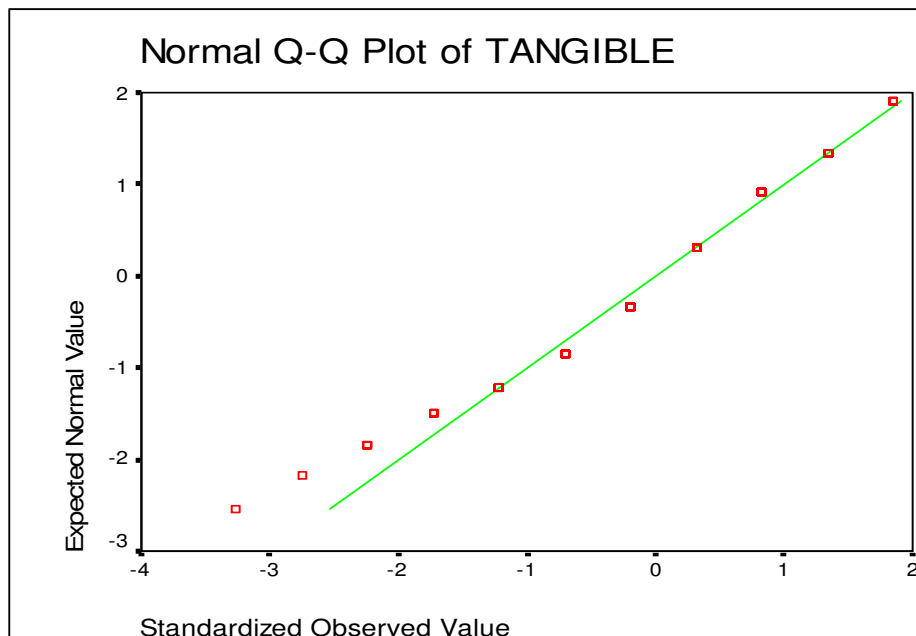
Graph 5.11 Detrended Normal Q-Q Plot of Assurance



The detrended Q-Q plot above shows that the data points do not seriously deviate from the fitted line. When joined by a line these points will indicate a normal distribution of the service quality dimension of assurance.

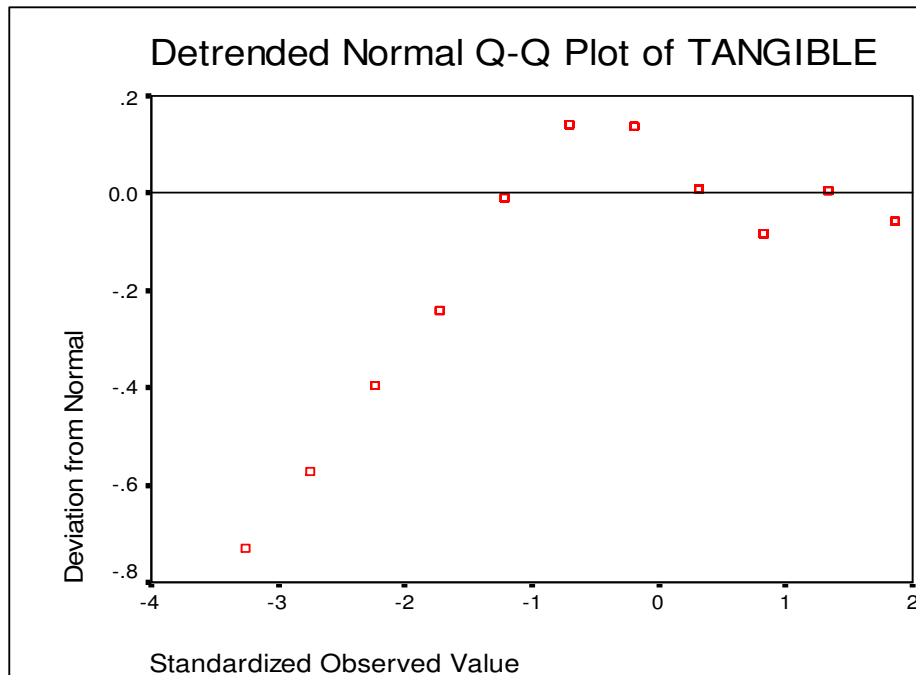
Tangibles

Graph 5.12 Normal Q-Q Plot of Tangibles



The normal Q-Q plot above shows that the data points representing the service quality dimension of tangibles do not deviate seriously from the fitted straight line. They indicate that tangibles are normally distributed.

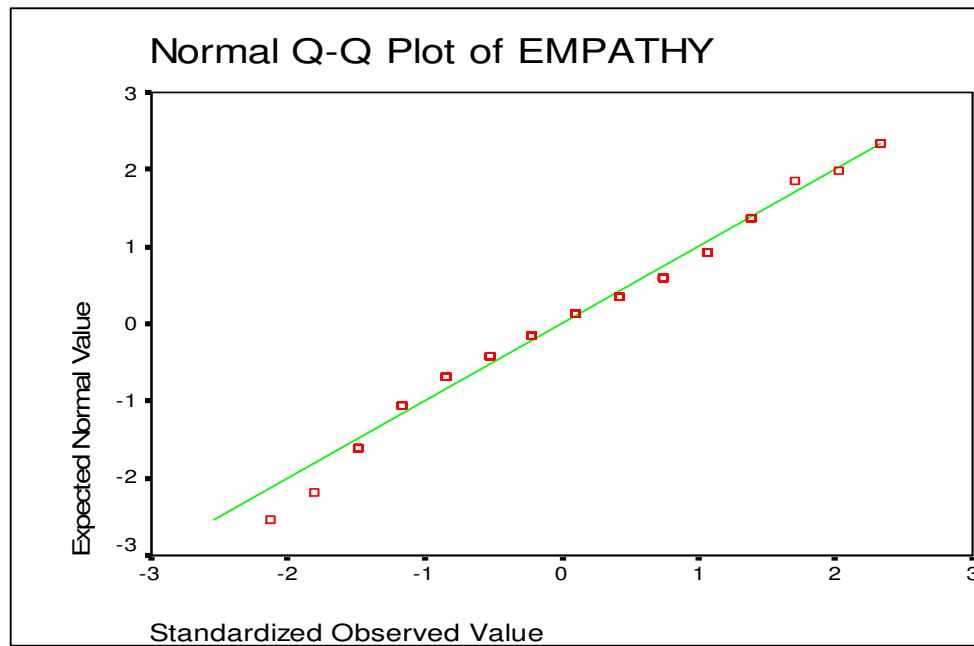
Graph 5.13 Detrended Normal Q-Q Plot of Tangibles



The detrended Q-Q plot above shows that the data points do not seriously deviate from the fitted line. When joined by a line these points will indicate a normal distribution of the service quality dimension of tangibles.

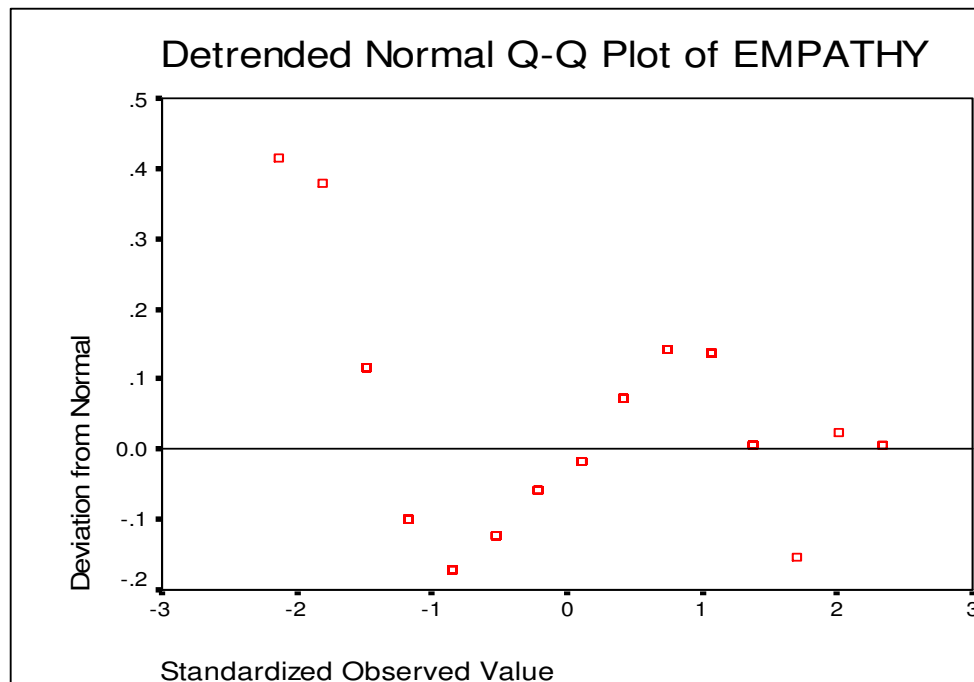
Empathy

Graph 5.14 Normal Q-Q Plot of Empathy



The normal Q-Q plot above shows that the data points representing the service quality dimension of empathy do not deviate seriously from the fitted straight line. They indicate that empathy is normally distributed.

Graph 5.15 Detrended Normal Q-Q Plot of Empathy



The detrended Q-Q plot above shows that the data points do not seriously deviate from the fitted line. When joined by a line these points will indicate a normal distribution of the service quality dimension of empathy. However, there are a few data points that deviate from the norm.

5.5 Hypothesis Testing

The following two tests were done to determine the correlations:

- Regression analysis
- Spearman's rank-order correlation

5.5.1 Overall Service Quality

In this analysis the five dimensions of service quality were tested against overall service quality as the dependent variable. A multiple regression analysis was done to determine this relationship.

The following five hypotheses were tested to determine their significance to customer service.

- H1a Reliability has a positive influence on customer satisfaction
- H1b Responsiveness has a positive influence on customer satisfaction
- H1c Assurance has a positive influence on customer satisfaction
- H1d Tangibles have a positive influence on customer satisfaction
- H1e Empathy has a positive influence on customer satisfaction

Below are the findings of the multiple regression analysis indicating the impact of the service quality dimensions on overall service quality.

Multiple Regression Analysis 5.1 The Impact of the Service Quality Dimensions on overall Service Quality

Equation	Observations	Parms	RMSE	R-sq	F	P
SERVICE QUALITY	90	4	0.006193	1	560217.8	0

Propositions	Service Quality	Coeff	std error	t	P> t	[95% Conf. Interval]
H1a	Reliability	0.378568	0.0053135	71.25	0	0.368005
H1b	Responsiveness	0.361414	0.0084934	42.55	0	0.344530
H1c	Assurance	0.3793514	0.0101483	37.38	0	0.359177
H1d	Tangibles	0.7109014	0.0060892	116.75	0	0.698796
H1e	Empathy	Dropped				

F value = 560217.8

P < 0.01

R- Squared = 1

The findings above indicate that the five service quality dimensions are positively related to overall service quality and are indeed drivers of service quality.

The study findings indicate that all the standardized coefficients relating the four service quality dimensions: reliability, responsiveness, assurance and tangibles to overall service quality have the expected positive sign, are statistically significant and therefore are all drivers of service quality. However, the service dimension of empathy did not have an impact on service quality according to the findings of the study.

According to the findings above $P < 0.01$ indicating that there is a significant relationship between the five service quality dimensions and overall service quality. The five hypotheses are therefore supported at a 95% confidence interval.

The study findings also further indicated that tangibles are the most important driver of service quality among mobile phone users in Kampala with a significantly high coefficient of 0.71. Tangibles have a standard error of 0.006 and the corresponding t-value comes to 116.75. Among the five dimensions this is the highest t-value observed. These findings indicate that the chance of tangibles affecting overall service quality will be between 70% and 72%.

Tangibles were followed by assurance in the second position with a significant coefficient of 0.40. The observed standard error for this dimension is 0.01 with a corresponding t-value of 37.38. These findings indicate that the chance of assurance, as a dimension, affecting overall service quality is between 36% and 40%.

5.5.2 Service Quality Dimensions against Customer Satisfaction

In this analysis the five dimensions of service quality were tested against customer satisfaction as the dependent variable using a multiple regression analysis.

The following hypothesis was tested to determine the impact of service quality on customer satisfaction.

H2 Service quality has a positive influence on customer satisfaction

Below are the findings of the multiple regression analysis indicating the impact of service quality on customer satisfaction.

Multiple regression analysis 5.2 The Impact of Service Quality on Customer Satisfaction

Equation	Observations	Parms	RMSE	R-sq	F	P
d11	94	5	0.6816142	0.9622	453.5754	0

Customer Satisfaction	Coef.	Std. Error	T	P>t	95% confidence interval	
Reliability	0.2354062	0.1417741	1.66	0.1	-0.0463	0.5171083
Responsive	0.0156604	0.1660838	0.09	0.925	-0.31434	0.3456654
Assurance	0.4513961	0.173616	2.6	0.011	0.106425	0.7963673
Empathy	0.1489565	0.1286314	1.16	0.25	-0.10663	0.4045443
Tangibles	0.1139469	0.1212052	0.94	0.35	-0.12689	0.3547791

F value = 453.5754

P > 0.05

R- Squared = 0.9622

The output of the multiple regression analysis above indicates that service quality is positively related to customer satisfaction.

The findings indicate that all the standardized coefficients relating to the five service quality dimensions had the expected positive sign and were statistically significant. These five dimensions are therefore all drivers of customer satisfaction.

Assurance was the most important driver of customer satisfaction with a significant coefficient of 0.45 and the highest standard error among the five dimensions of 0.17. The corresponding t-value comes to 2.6. These findings indicate that the chance of assurance as a dimension affecting customer satisfaction will be between 11% and 80%.

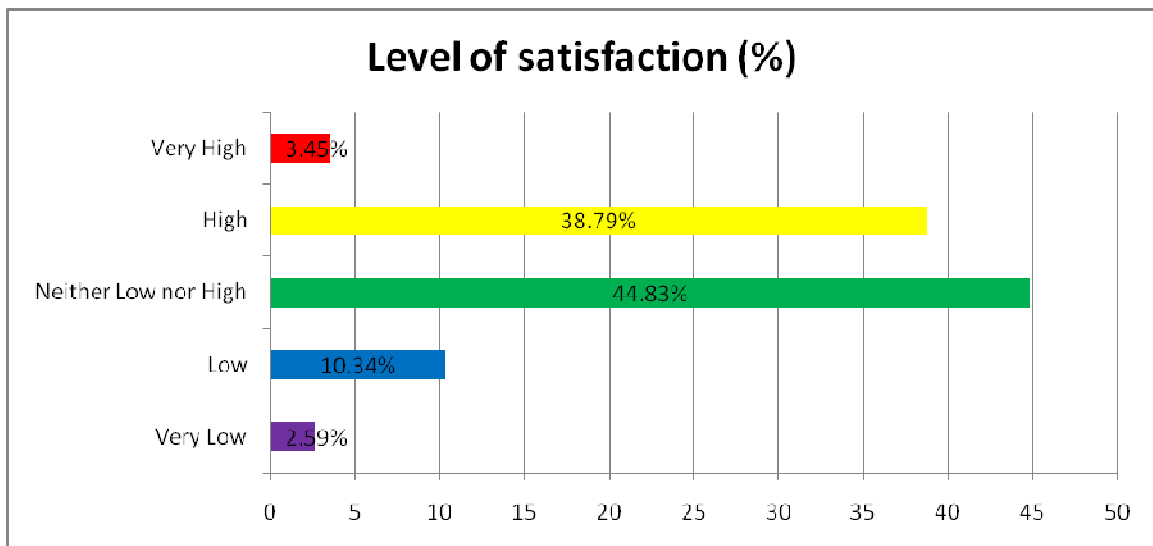
Reliability was the second most important driver of customer satisfaction according to the findings of the study. The standard error of this dimension was 0.14 with a significant coefficient of 0.24. The corresponding t-value comes to 1.66 which is the second highest t-value after that of assurance. These findings indicate that the chance of reliability affecting customer satisfaction will be between 5% and 52%.

The hypothesis is therefore supported with a confidence interval of 95%

5.5.3 Level of Satisfaction

Graph 5.5 below shows the respondents overall level of satisfaction with their current mobile phone service provider. The respondents indicated their level of satisfaction on a scale of 1-5 with 1 representing very low and 5 very high.

Graph 5.16 Level of satisfaction



According to the findings the majority of the respondents (44.83%) indicated that their level of satisfaction was neither low nor high. However, 38.79% of the respondents

indicated that their level of satisfaction was high. This category of respondents was the second highest.

5.6 Behavioural Intentions

Three customer intentions were investigated in the study to determine the impact of customer satisfaction on these customer intentions. These are:

- I. Customer switching
- II. Customer retention
- III. Customer defection.

The following hypothesis was tested to determine the impact of customer satisfaction on the customer's behavioural intentions:

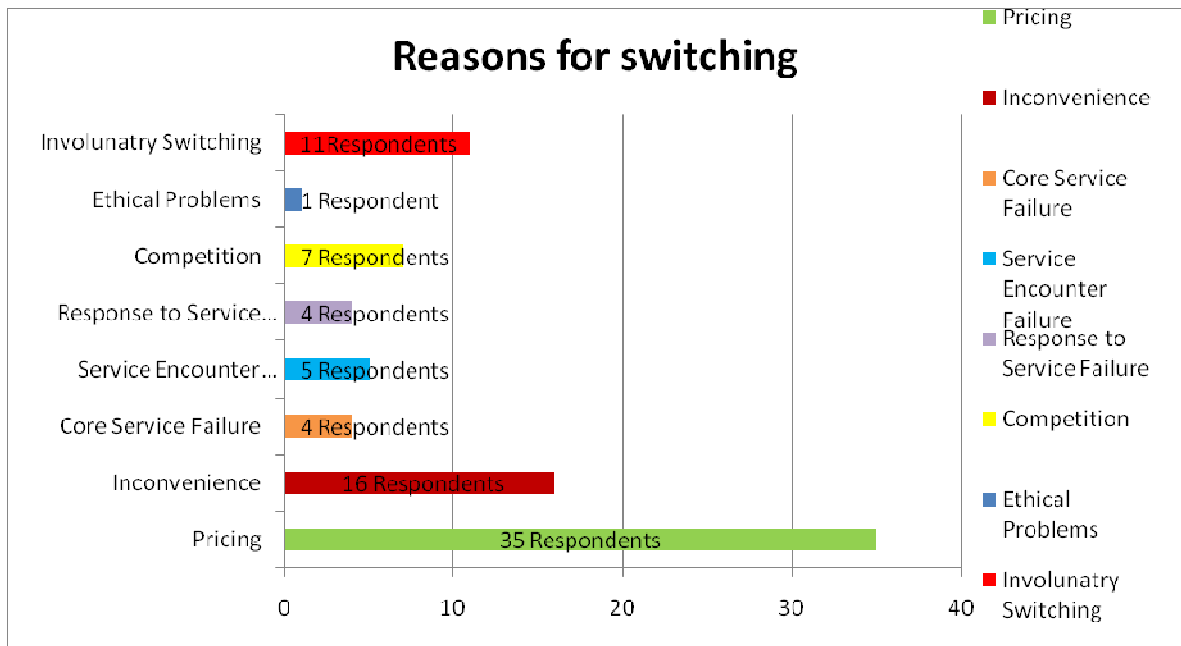
H3 Customer satisfaction has an impact on the customer's behavioural intentions

The above hypothesis (H3) was tested for only one outcome of satisfaction (behavioural intention), that is, customer switching.

5.6.1 Customer Switching

Respondents were requested to select the reasons for why they had switched service providers. Graph 5.18 gives a list of reasons that are likely to cause customer switching. The findings indicate that the majority of the respondents (35 respondents) are of the opinion that price is the highest driver of customer switching. This is followed by convenience with 16 respondents and then involuntary switching with 11 respondents.

Graph 5.17 Reasons for Switching



A multiple regression analysis was done to determine the impact of customer satisfaction on customer switching. Below are the findings of the analysis.

Multiple Regression analysis 5.3

The Impact of Customer Satisfaction on Customer Switching

Equation	Observations	Parms	RMSE	R-sq	F	P
e1	112	1	1.603789	0.706	266.5069	0
	Coefficient	Std. Err.	T	P>t	95% confidence interval	
d11	0.729248	0.044671	16.33	0	0.6407299	0.817765

F value = 266.5069

P <0.01

R- Squared = 0.706

The findings in the multiple regression analysis 5.3 above indicate that customer satisfaction has an impact on customer switching. The standardized coefficient (0.729) is significantly high at a 95% confidence level. The observed standard error is 0.045. The corresponding t- value comes to 16.33. These findings indicate that the chance of customer satisfaction affecting customer switching will be between 64% and 81%.

According to the findings above $P < 0.01$ indicating that there is a significant relationship between customer satisfaction and customer switching. The hypothesis (H3) is thus supported at a 95% confidence level.

5.6.2 Spearman's Rank-Order Correlation

Table 5.8 below indicates the findings of the study in relation to the correlation between the level of satisfaction that the mobile phone users perceive to have from their service providers and the perceptions and expectations they have of these service providers.

The Spearman's rank-order correlation coefficient between the two variables was found to be -0.262. This negative correlation is significant at a 95% confidence level.

The findings indicate that the observed correlation is unlikely to have come about if there had been no association between the two variables in the sample population. However, the findings as presented in table 5.8 below indicate that there is little association between the two variables because the correlation coefficient of -0.262 is closer to zero than it is to -1.

Table 5.8 Spearman's Rank Order Correlation

			rate the level of satisfaction you have with your service provider	Based on your responses to all the questions
Spearman's rho	Rate the level of satisfaction you have with your service provider	Correlation Coefficient	1.000	-.262
		Sig. (2-tailed)	.	.005
		N	116	112
	Based on your responses to all the questions	Correlation Coefficient	-.262	1.000
		Sig. (2-tailed)	.005	.
		N	112	113

** Correlation is significant at the .01 level (2-tailed).

5.6.3 Customer Retention and Defection

Customer retention and defection were not statistically tested. However, customer behavioural intentions based on their responses indicating the level of satisfaction they perceived to have with their service provider were used to analyse these two behavioural intentions.

Table 5.9 below presents the findings of the study in relation to the customer behavioural intentions based on the level of satisfaction they perceive to be getting from their service providers.

Table 5.9 Behavioural Intentions

Level of Satisfaction	Behavioural Intentions				
	Prefer to change	Happy to stay with the current service provider	Have no choice	Not sure	Like to change but it is impossible
Very Low	33.33%	0.00%	0.00%	33.33%	33.33%
Low	16.67%	16.67%	8.33%	8.33%	50.00%
Neither low nor high	14.00%	48.00%	4%	14.00%	20.00%
High	2.33%	81.40%	4.65%	9.30%	2.33%
Very high	25.0%	75%	0.00%	0.00%	0.00%

According to the findings of this study 75% of the respondents whose level of satisfaction is very high felt that they were quite happy to stay with their current service provider.

81.4% of the respondents whose level of satisfaction is high felt that were quite happy to stay with their current service provider.

However, the findings indicate that 50% of the respondents whose level of satisfaction is low would like to change to another service provider but they are unable to, due to circumstances beyond their control.

33.33% of those whose level of satisfaction is very low either prefer to change service providers or are unsure of what to do or they simply would like to change but they are unable to due to circumstances beyond their control.

The behavioral intentions above were categorized as follows:

Prefer to change: Defection. This category of subscribers is ready to switch service providers.

Happy to stay with the current service provider: Retention. This category of subscribers will remain loyal to their service provider.

Have no choice: Forced retention, for example a corporate customer. In this case the employer subscribes to a service provider of their choice. The mobile phone user

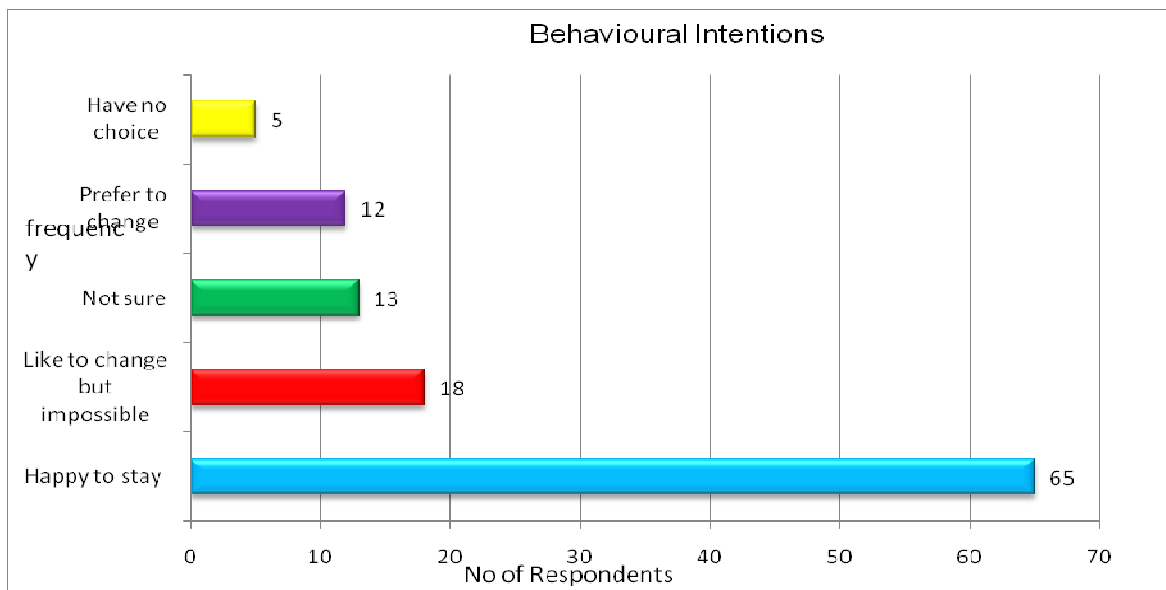
therefore has no choice but to use that service provider. This category of subscribers is likely to switch service providers as soon as an opportunity presents itself.

Not sure: this category of subscribers is not clear on their intentions

Like to change but it is impossible: Involuntary retention due to circumstances beyond the customer's control, for example business people who are reluctant to change service providers for fear of losing their business contacts. This category of subscribers will remain with the service provider for business reasons.

The following graph shows the total number of respondents according to their intentions based on the level of satisfaction they derive from the current mobile phone service provider.

Graph 5.18 Behavioural Intentions



The above findings indicate that the majority of the respondents are actually happy to stay with their current service provider because of the high levels of satisfaction they derive from the services they get. The more customers are satisfied with their mobile service providers, the more they remain loyal to the service provider.

5.7 Conclusion

The findings of this study indicate that telecoms companies need to critically analyze and understand the perceptions and expectations of the customers' and strive to deliver high quality customer service that plays a key role in determining customer satisfaction. Most of the telecoms companies put emphasis on the technical aspects of the products and services that they offer. However, the findings above indicate a need to review the quality of service being offered and also the level of satisfaction that the customers perceive to derive from these services and products.

Chapter Six

Discussion, Conclusions and Recommendations

6.1 Introduction

In this chapter a discussion of the results will be done. An attempt will therefore be made to answer the research questions and conclusions based on the theory and the results will also be drawn. Lastly implications for management, theory and suggestions for future research will also be done.

6.2 Discussion

In this section the answers to the two research questions will be answered and also other findings based on the results and theories will be discussed.

6.2.1 Research Question 1

Does customer service create customer satisfaction among mobile phone users in Kampala?

The following hypotheses were tested to answer this research question.

- H1a Reliability has a positive influence on customer satisfaction
- H1b Responsiveness has a positive influence on customer satisfaction
- H1c Assurance has a positive influence on customer satisfaction
- H1d Tangibles have a positive influence on customer satisfaction
- H1e Empathy has a positive influence on customer satisfaction

H2 Service quality has a positive influence on customer satisfaction

Based on the results obtained from testing hypotheses H1a, H1b, H1c, H1d, H1e and H2 it can be concluded that customer service has a positive impact on customer satisfaction.

According to the findings of the study in chapter five above, the five service quality dimensions are positively related to overall service quality and are indeed drivers of service quality which in turn has an impact on customer satisfaction. The study findings indicate that all the standardized coefficients relating the service quality dimensions to overall service quality and to customer satisfaction have the expected positive sign and are statistically significant.

The analysis was done in two stages. First customer service was analysed by testing the five dimensions of service quality which define the perceptions that customers have of customer service. The results of this analysis gave an insight into their expectations. Secondly the overall service quality was tested against customer satisfaction.

The findings of the study show that each one of the five dimensions is perceived to be important to the respondents. This is indicated by the high means in table 5.3 above. According to these findings the respondents are of the opinion that on average the service providers deliver on the different elements of service quality dimensions that were tested in the study. The lowest mean score achieved from the answers to the 20 questions in this study was 2.97 whereas the highest was 3.89. These findings therefore support the findings of previous studies done to determine the perceptions that customers have of the five service quality dimensions.

In addition to this the hypotheses tested above show that there is indeed a positive relationship between each of the five service quality dimensions as well as the overall service quality and customer satisfaction. The findings indicate that all the standardized coefficients relating to the service quality dimensions had the expected

positive sign, were statistically significant and were therefore drivers of service quality and of customer satisfaction. These findings are thus confirmations of what the customers expect of their service providers.

According to Kim and Kim (2001:139) "*To deliver quality services to customers, we need to understand their expectations*". It is therefore not surprising that "*delivering superior service quality appears to be a prerequisite for success, if not survival*" (Parasuraman *et al* 1988:13). The findings of this study therefore concur with the findings of Kim and Kim (2001:139), in which they state that "*given accurate understanding of expectations, customer service, which can be regarded as a process that consists of several steps to satisfy customer requirements, should be redesigned to match them*".

According to Wilson *et al* (2008:83) "*service quality will be the dominant element in customers' evaluations*". This finding from previous research appears to hold water in this study as well because according to graph 5.4 in which the means of each question are presented, the scores are above average for all 20 questions. This shows the perceptions of the respondents to the different service quality dimensions. According to these findings tangibles and specifically question C20 (materials associated with the service are visually appealing at your current service provider) was perceived to be the most important element to the respondents with a mean score of 3.89.

The most surprising trend confirmed by research is "*the lingering gap between how organisations and their customers value reliability and responsiveness. Customers value reliability although the salespeople and sales managers tend to place a higher value on responsiveness*" (Potter-Brotman 1994:54). "*Of the five dimensions, reliability has been consistently shown to be the most important determinant of perceptions of service quality*" (Wilson, Zeithaml, Bitner and Gremler 2008:84).

However, the findings in this study show that according to the respondents both these dimensions are equally important to them. Table 5.5 shows that reliability has a mean

composite score of 3.39 (and is the 4th most important dimension) while responsiveness has a mean score of 3.40 and is the 3rd most important dimension. On the other hand tangibles are the most important determinant of perceptions with a mean score of 3.79 followed by assurance with a score of 3.56. Mobile phone users in Kampala seem to have a different perception from the research findings in Potter-Brottman's and in Wilson, Zeithaml and Gremler's study. This may be attributed to the changes in customer perceptions to match the changes in the business environment.

According to Bolton 1998:45, "*customer satisfaction can have an important financial implication for the organisation because lifetime revenues from an individual customer depend on the duration of his/her relationship as well as the dollar amount of his / her purchases across billing cycles*". The findings in this study indicate that 69 respondents have been subscribing to the same service provider for more than 5 years. This is equivalent to 57.5% of the respondents. This category of respondents contributes towards the financial success of those mobile phone companies that they are subscribing to.

The findings of this study further indicate that according to those respondents whose level of satisfaction is high 81.4% are very happy to continue subscribing to their current service provider. These respondents whose level of satisfaction is high are equivalent to 38.79% of the 120 who participated in this study. This category of subscribers is quite high and is an indication to the service providers that there is a group of customers who are happy with the quality of service they are getting.

75% of those respondents whose level of satisfaction is very high are also very happy to continue subscribing to their current service provider. These respondents represent only a small fraction (3.45%) of the 120 respondents who participated in the study.

The remaining 57.76% are those respondents whose level of satisfaction requires urgent interventions. This is the category of subscribers whose perceptions and expectations of the quality of service have not yet been understood by the service providers. Once the service providers understand their needs and the right service quality dimension is leveraged these customers will improve their level of satisfaction derived from the quality of service.

According to Lopez, Redondo and Olivan (2006:556) “*losing a customer is a serious setback for the firm in terms of its present and future earnings*”. The findings of this study indicate that 57.76% of the respondents whose level of satisfaction is poor may easily be lost to competitors thus resulting in a serious setback for their current service providers. This category of subscribers is large and warrants urgent and immediate attention.

6.2.1.2 Conclusion

The answer to research question 1 above is that the quality of service plays a key role in determining customer satisfaction. It is therefore important for the service providers to understand the expectations and perceptions of their customers. The findings of this study indicate that the customer perceives tangibles to be the most important driver of service quality while assurance is the most important driver of customer satisfaction. Telecoms companies in Kampala should therefore leverage these two dimensions as a way of ensuring that their customers get the satisfaction they expect in the services offered.

6.2.2 Research Question 2

Does customer satisfaction result in behavioural intentions of the mobile phone users in Kampala?

The following hypothesis was tested to answer this research question:

H3 Customer satisfaction has an impact on the customer’s behavioural intentions

Based on the findings of the study after testing H3 there is a negative impact of customer satisfaction on customer switching. The findings in the multiple regression

analysis 5.3 above indicate that customer satisfaction has an impact on customer switching. The standardized coefficient (0.729) is significantly high at a 95% confidence level. The (Spearman's rank order) correlation coefficient was found to be -0.262. This negative correlation is significant at a 95% confidence level indicating the negative correlation between customer satisfaction and customer switching.

In addition to this Johnson and Sirikit (2002:694) also state that "*there is growing evidence that customer perception of service quality affects their behavioural intentions*". This is attributed to the positive relationship between service quality and customer satisfaction as mentioned above. The satisfaction or dissatisfaction derived by the customer will determine whether they switch or remain loyal to the service provider. Table 5.7 above shows the findings of the study regarding the relationship between the level of satisfaction the respondents perceived to have with their service provider and their behavioural intentions.

According to the findings the majority of the respondents (65 respondents or 54% of the respondents) are happy to stay with their service provider. Among these who perceive the level of satisfaction to be high 81.4% are happy to stay with their service provider.

Among those who perceive the level of satisfaction to be very high 75% are happy to stay with their service provider. However, among those whose level of satisfaction is neither high nor low 48% are still happy to stay with their current service provider. 50% of those who perceive the level of satisfaction to be low would like to change to other service providers but feel that due to circumstances beyond their control they are unable to do so.

The last category is those who perceive the level of satisfaction to be very low. These are likely to switch service providers and do not have any respondent who is happy to stay with their current service provider. Interestingly the findings show that the

majority of those respondents who are ready to defect are within this category of respondents.

Another finding of this study was that in terms of the level of satisfaction the majority of the respondents (44.83%) rated theirs as neither low nor high and the second highest category of respondents perceived the level of satisfaction they get from their service provider to be high. This is presented in graph 5.17 above.

6.2.2.1 Customer Switching

The findings of other studies indicate that *“preventing current customers from switching to other service providers is a very difficult task”* N’Goala (2007:510). Keaveney (1995:71) also states that *“customer switching behaviour damages market share and the profitability of service firms”*. This is done *“through negative word of mouth, damage on brand image and reputation”* (Lopez *et al*, 2006:558).

According to the findings of this study there is a negative relationship between customer satisfaction and customer switching with the majority of respondents stating that price was the highest driver of customer switching. Graph 5.18 shows that 35 respondents switched service providers because of price changes. Companies therefore need to consider the impact of price changes before they are implemented. This is not to say that companies should avoid making price changes, especially price increases, which may be necessary in some instances to improve the quality of service being offered.

This graph goes further to list other reasons for which respondents have switched services. Companies therefore need to understand the reasons that customers have for switching service providers and avoid these by ensuring that they build customer loyalty.

According to Keaveney (1995:71) companies “*need research-based knowledge if they are to avoid the revenue-reducing and cost-incurring impacts of customer switching*”. The findings of this study therefore will attempt to “*help managers and researchers understand service switching from the customer’s perspective*”. This will be achieved by carefully analysing the perceptions and expectations given by the customers.

6.2.2.2 Conclusion

The level of satisfaction that the customers perceive to have from their service providers plays a key role in determining their intentions. Telecoms companies therefore need to understand why customers will willingly switch service providers. With this knowledge in mind they will leverage on those drivers that are least likely to cause customers to switch service providers and ensure that they instead drive customer retention by building loyalty.

6.3 Implications for Management

The findings of this study have important implications for the management of telecoms companies because the study was based on the perceptions and expectations of the mobile phone users.

According to these perceptions and expectations tangibles is an important driver of service quality and management should leverage on this dimension to increase the quality of service offered to the customer. Assurance plays a key role in determining customer satisfaction implying that the technical aspects that management may leverage on to drive customer satisfaction are not of such importance to the customer. In addition to this, price is one of the reasons why the majority of customers will most likely switch service providers. This study therefore brings forth the need for management to get to know the perceptions and expectations of the

customer and to leverage on those dimensions that are perceived to be drivers of service quality and of customer satisfaction.

Management also needs to keep track of the changes in perceptions and expectations of their customers. According to this study tangibles were the most important driver of service quality whereas according to the literature review reliability was the most important driver of service quality. These findings therefore indicate that management needs to keep abreast with the changes in perceptions and expectations. This will enable service providers to leverage on those key aspects that drive customer satisfaction and build loyalty.

6.4 Implications for Theory

Some of the findings of this study differed from those of previous studies done by other researchers. As has been indicated above tangibles is the most important driver of service quality according to the findings of this study. On the other hand though, the literature review indicated that reliability was the most important dimension. It is therefore clear that the existent theory is being challenged. The dynamic nature of customers needs and the dynamic nature of business require regular and detailed analysis of the perceptions and expectations of the customer in order to keep abreast with the changes in the customer needs, perceptions and expectations.

Today's customer has access to more information and knowledge than yesterday's customer. The level of exposure of the customer in today's business world / environment is more intense than was the case previously. The use of the internet in disseminating information has increased at a very fast pace. Companies therefore need to gather information regularly in order to ensure that they are offering services and products that actually meet the needs of their customers.

The existing theory needs to be reviewed and updated to reflect the changes that have since appeared.

However, some of the findings of this study concur with those of previous researchers when it comes to the five dimensions of service quality. All five dimensions still play a key role in determining the quality of service and customer satisfaction. This was indicated by the above average composite scores of each dimension as well as the findings of the regression analyses done.

6.5 Conclusions

In this section conclusions will be drawn based on the findings above in section 6.1.

According to literature review in chapter three above, the financial success as well as the growth of an industry is directly linked to the satisfaction of the customers. Customer satisfaction, in turn, is determined by the quality of service offered. The hypotheses to test this assumption have all been supported. The findings also concur with those of previous studies done by other researchers. It is indeed very interesting to understand customer service from the perceptions of the customer and not from the assumptions of the service provider.

The perceptions of the customer are representative of what the customer values in service quality. These perceptions play a key role in determining the level of satisfaction the customer derives from the service they are offered by the service provider. Companies should therefore strive to offer services that meet the specific needs of the customer. It is therefore very prudent to determine what these needs are in order to come up with value propositions geared towards satisfying these needs. The market is saturated with different companies offering similar services to the customer. However, it is only those companies which are able to differentiate their services and create a competitive advantage that will be able to survive the intense competition. It is for this reason therefore that companies should strive to understand customer service from the perceptions of the customer and not from the assumptions of the service provider.

Wilson *et al* (2008:55) states that “*because customers compare their perceptions of performance with reference points when evaluating service quality, thorough knowledge about customer expectations is critical to services marketers*”. The findings of this research have indeed brought out those expectations that the customer wants the services marketers to understand and therefore to work on. According to this study customers value tangibles over the other four service quality dimensions. Companies should therefore leverage on this dimension and make it a reference point for evaluating the quality of service. On the other hand all the five dimensions are perceived to be very important in evaluating the quality of service. Companies should therefore ensure that they leverage on all five dimensions to ensure that when customers compare their perceptions of performance they have key reference points to use in their evaluations.

The objectives of this study were to:

1. analyse whether perceived customer service is directly related to customer satisfaction among mobile phone users in Kampala
2. analyse the impact of customer satisfaction on the resultant behavioural intentions of mobile phone users in Kampala.

These objectives have indeed been met through the findings stated above.

Telecom service providers in Uganda like other service providers have predominantly focused all their efforts on the technical offerings of the services and products they are willing to have in the market. It is however more important to refocus these efforts on the service quality dimensions which are perceived to be key determinants of customer satisfaction and therefore customer intentions.

Interestingly though is the finding of this study that 42.24% are happy with the level of satisfaction they perceive to have from their service providers while 57.76% need urgent interventions. The percentage of those who are satisfied is high and may be attributed to the fact that Uganda is a third world country with the majority of the population living on the verge of poverty. With a population of over 30 million only about 4 million (13.33%) people have access to mobile phones. This number is very small compared to the 86.67% who do not have access to mobile phones. They may therefore consider themselves very privileged to have access to this basic necessity

they consider a luxury. These respondents may therefore not have much room for objectively judging the level of satisfaction they currently have based on the situation.

It was also earlier mentioned that Ugandans by nature are very polite and patient people who do not demand even for what others would deem to be their basic human rights. They will therefore easily put up with what ever is offered to them however substandard it may be.

This study did not analyse the difference between the service provided by the different service providers and therefore analysed service in general for all respondents.

6.6 Recommendations

In this section the recommendations for further research are made.

Based on the findings of this study reliability and responsiveness are perceived to be of equal importance to the respondents. This is contrary to the literature review in which customers perceive reliability to be of more importance. It is therefore recommended that more studies are carried out to track these changes in the perceptions of the customers. Today's customer is well informed of what value propositions he or she is interested in getting. Thanks to the internet today's customer has unlimited access to information regarding what is being offered by the competition. This customer is thus empowered to make informed decisions. The need to understand the customers' expectations is therefore the driver for telecoms companies to understand the customers' needs.

The findings also indicated that according to the respondents they perceived the five dimensions of service quality to be important to them. As the customers' perceptions change with changes in the environment, it is recommended that further research is carried out to understand which dimensions are currently important to the customers.

This will ensure that the value propositions created for the customer address their needs hence meeting their expectations. This is a customer centric approach that can help telecom service providers to improve their service delivery, thus increasing service quality for many of the customers.

There appears to be no previous published research in Uganda in this field. It is therefore recommended that more research in a variety of settings should be carried out to compare and confirm these findings with. This should cover as many service providers as possible in order to get a more detailed analysis of the situation based on findings from various diverse areas. Only then will it be advisable to generalise the findings to Uganda.

In this study tangibles were found to be the most significant predictor of service quality while assurance was found to be the most significant predictor of customer satisfaction. Perhaps in different settings or environments the other dimensions may be discovered to be more important than tangibles or assurance.

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