LUKU SERVICE QUALITY AND CUSTOMER SATISFACTION IN

TANZANIA: A CASE STUDY OF KINONDONI MUNICIPAL.

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CERTIFICATION

I the undersigned, certify that I have read and hereby recommend for acceptance by the Open University of Tanzania, a dissertation entitled *"LUKU Service Quality and Customer Satisfaction in Tanzania: A Case Study of Kinondoni Municipal",* in partial fulfillment of the requirements for the award of the master's Degree of Business Administration in Project Management.

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DECLARATION

I, Debora Mwakaje, do hereby declare that this is my original work and has not been submitted and will not be presented to any other College, Institution, or University other than the Open University of Tanzania for academic credit.

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Date

DEDICATION

This dissertation is dedicated to my lovely husband Colnely for his love and care with great support financially and morally. And my one and only daughter Cherish for her tolerance during the whole time. They gave me the brevity to overcome all the difficulties faced during my college time, you are the best.

ACKNOWLEDGEMENTS

ABSTRACT

The main objective of this study was to conduct an assessment of Lipia Umeme Kadiri Unavyotumia (LUKU) service quality and customer satisfaction in Tanzania. The general objective of the study was to analyze LUKU service quality and customer satisfaction in Tanzania. Specific objectives included: to identify factors that influence LUKU service customer satisfaction, to identify factors that influence LUKU service customers' satisfaction, to measure satisfaction levels of among LUKU service customers and finally to identify common problems facing LUKU service customers. The main findings of the research revealed that there is a positive relationship between service quality and customer satisfaction and thus high quality services lead to high customer satisfaction. The study also revealed that majority of the customers is not satisfied with the quality of LUKU services. The study recommends that TANESCO should set a mechanism for collection of views and concerns from customers and relevant stakeholders and work to solve them, enhance application of modern technology in its operations, build capacity of its staff on aspects of customer care and services, re-evaluate pricing strategy in line with customer satisfaction goal, enhance operational controls to enhance management of resources.

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LIST OF ABBREVIATIONS

AMI	Advanced Metering Infrastructure
AMR	Automatic Meter Reading
CT	Current Transformer
DISCOs	Distribution Companies
DNO's	Electricity Distribution Network Operators
EEPCO	Ethiopian Electricity Power Corporation
EPS	Electronic Physical Security
IPPs	Independent Power Plants
KWh	Kilowatt hour
KV	Kilovolts
LUKU	Lipia Umeme Kadiri Unavyotumia
MUSA	Multicriteria Satisfaction Analysis
SERVQUAL	Service Quality
TANESCO	Tanzania Electricity Supply Company
V	Voltage
ZECO	Zanzibar Electricity Supply Corporation

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the general context of the study. The chapter covers the background to the study, statement of the research problem, research objectives, research questions, significance of the study, and area of the study.

1.1 Background to the Study.

Customer satisfaction is a measure of how a product or service supplied by a company meet or surpass a customer's satisfaction. It also follows that in order to meet customer expectations and achieve customer satisfaction, a company must offer a quality product or service. Service quality and customer satisfaction therefore are very important aspects in management of a product or service. In current global business environment, providing a superior service quality and providing customer satisfaction through adequate focus on customer is one of the key factors enabling firms to gain a lasting competitive advantages in the Market (Akele, 2012). According to Zeithamil, et al (2009) customer satisfaction helps companies in many ways such as, assisting companies to evaluate their ability in meeting customers' needs and expectations and helps companies to analyze the performance of an offering to customers in order to identify areas for improvements as well as what areas customer consider to be very important. For this reason, companies have been focusing on continuous monitoring and evaluation of service quality with innovative offerings and service developments with direct influence on customer experience and ultimate satisfaction (Ladhari, **2011)** Although companies worldwide appreciates the importance of maintaining service

quality and customer satisfaction for their business survival and growth, at the same time, several organizations have been experiencing increasing level of retail customers' dissatisfaction (Mistry, 2013). The rational point of view suggest that the probable causes may include but not limited to low product quality, poor customer service, low responsiveness from staff and unreliable service. However, whether any of these causes for dissatisfaction are true and the extent to which they impact on customer satisfaction is not known. Moreover, there may be other causes which are out of the above list of possible causes but none has been established.

Power supply companies being among the players in the service offering business are also subjected to the realities of service quality influence on experience and satisfaction of the final consumer. TANESCO being a major producer of electricity for private sectors, public sectors and domestic users have been striving to achieve increased efficiency, quality services, availability of affordable power and customer satisfaction. It is worth noting however that despite the importance of service quality and customer satisfaction as well as TANESCO's effort to meet customer expectations, there has been genuine calls among LUKU service customers implying poor services and customer dissatisfaction. On the other hand despite of the significance of customer satisfaction and service quality, there is still limited literature available addressing issues of service quality and customer satisfaction on electrical services specifically LUKU services. It is from this backdrop that the study aimed at analyzing LUKU service quality and customer satisfaction in Tanzania.

1.0.1 Statement of the Research Problem

In order to evolve, survive and prosper in business world a company has to strive to create quality of service and products sufficient to achieve satisfaction experiences to the customers and consumers. The study of service quality and customer satisfaction cut across all types of business including supply of electrical services and products. Even though customer satisfaction has been studied extensively (Ibook and Udofot, 2012), only few studies have been dedicated to assess the impact of service quality and customer satisfaction on electricity services and products. Among the few studies conducted in this field include the study conducted by Abdullateef (2013), which focused on the determinants of electricity customers' satisfaction in selected electricity distribution zone in Nigeria to determine their level of satisfaction. On the other hand, Akele (2012) conducted a study on customer service quality in Ethiopian Electrical Power Corporation. Both of those studies like few others focused on aspects of service quality and customers satisfaction in electrical power services in geographical areas other than Tanzania. At first glance it may seem that service quality and customer satisfaction aspects of revealed in other regions may similarly apply in all similar organizations in other regions. This perception however fails to take into account that service quality and customer satisfaction may be influenced by country specific social, political, cultural, economical, technological and perhaps legal variables. It is for this reason that although there is abundant of literature on service quality and customer satisfaction some business companies are still experiencing customer dissatisfaction toward their services and products. This situation also explains why customer dissatisfaction has persisted in some electric power companies especially in developing countries like Tanzania. By rethinking our

approach to specifically address service quality and customer satisfaction, companies can be in a better position to adopt appropriate measures for enhancement of technical and functional qualities of products in ensuring customer satisfaction. Unless we understand that in order to avoid companies suffer the consequences' of poor quality and customer dissatisfaction, organizations need to understand specific influences of quality and customer satisfaction to allow for application of relevant enhancement strategies, then organizations will continue to suffer.

Considering the potential impact of aspects of service quality and customer satisfaction has on organizational survival, growth and prosperity, there was a great need to conduct an assessment of prevailing LUKU service quality and customer satisfaction in Tanzania in order to find out the influences of service quality and satisfaction and determine measures for improvement.

1.0.2 Research Objectives

1.0.2.1 General Objective

The research aimed to analyze LUKU service quality and customer satisfaction in Tanzania.

1.0.2.2 Specific Objectives

i) To identify factors that influence LUKU service customers' satisfaction.

ii) To measure satisfaction levels among LUKU service customers.

iii) To identify common problems facing LUKU service customers

1.0.2.3 General Question

This study sought to answer the following research questions;

i) What are the levels of LUKU service quality and customer satisfactions?

1.0.2.4 Specific Questions

i) What are the factors that influence LUKU service customers' satisfaction?

ii) What are the satisfaction levels of LUKU service customers?

iii) What are the common problems facing LUKU service customers?

1.0.3 Significance of the Study

It is envisioned that the findings of this study will go a long way in helping, widen the general understanding and contribute to literature on LUKU service quality and customer satisfaction. The study will also to assist TANESCO to assess the quality of LUKU service system and applies the finding of the study to enhance the quality of the services offered and customers' satisfaction. In addition, the findings of the study may provide relevant to other utility companies in enhancement of the service quality and the level of customer satisfaction. Since the nature of the study is unique and still unexplored it is expected that the findings of the study will advance knowledge in the field and provide a platform to conduct further research in the area

1.0.4 Organization of the Study

The study focused on understanding LUKU service quality and customer satisfaction, Kinondoni municipal was chosen as a case study. Specifically the study

analyzed the understanding of the current levels of service quality and customer satisfaction and recommends measures for improvement. Key informant interviews, questionnaires and documentary review were deployed as methods for data collection. Through the application of the above mentioned methods, the study objectives have been achieved and key findings have been documented with regard to the objectives. The study shows that there is a positive relationship between service quality and customer satisfaction and the level of customer satisfaction has been revealed to be substandard.

In view of the above achievement and contribution of customer's satisfaction, this thesis has been organized in five chapters. The first chapter provides an introduction into service quality and customers' satisfaction in different contexts, clarification of the problem and study objectives. The second chapter covers definitions of key concepts, the theoretical reviews, empirical reviews and conceptual framework to customer satisfaction in different contexts. The third chapter set out the methodology for assessing the evidence and covers study location, sampling and methods for data collection. Chapter four presents study findings, discussion and analysis. Chapter five concludes the findings and draw recommendations for present and future organizational, staff and research agenda.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter intends to discuss literatures which are relevant to the study. It will discuss the current theories and practices that are relevant to the study. The chapter intends to reveal the conceptual, theoretical and empirical backgrounds done by different scholars and authors on issues of customer satisfaction. Areas covered in this chapter include overview of concepts, theoretical framework and empirical studies.

2.1 Theoretical literature Review

2.1.1 Overview of Concepts

2.1.1.1 Service Quality

Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service: reliability, responsiveness, assurance, empathy, tangibles, satisfaction, on other hand, is more inclusive: it is influenced by perceptions of service quality, product quality, and price as well as situational factors and personal factors (Zeithaml & Bitner, 2003). Bitner (1990) defined service quality as overall impression of consumers towards the superiority or inferiority of an organization and its services. Patrick et al (1996) defined service quality as the difference between customer's expectation for service performance prior to the service encounter and their perceptions for service received. Service quality theory predicts that clients will judge that quality is low if performance does not meet their expectations and quality increases as performance exceeds expectations, expectation

therefore lay the foundation for which service quality will be evaluated by customer. It also follows that as service quality increases, customer satisfaction and intention to reuse the service increases.

2.1.1.2 LUKU

LUKU which stands for Lipia Umeme Kadiri Unavyotumia is a prepaid meter system introduced on 1994 the idea of which originated from South Africa where the prepaid meter system was used. Since its establishment LUKU system has been the best solution for TANESCO with regard to solving the problem of collecting bills from customers since most of the customers failed to pay their bills regularly while continuing to enjoy the service under previous conventional post paid metering system. LUKU services have been integrated into online payment system whereby customers can make their purchases through online payment service providers, online banking and through mobile phones.

2.1.1.3 Customer Satisfaction

Murphy (2000) defines customer satisfaction as the minimum acceptable levels of service that provide customer satisfaction in the key areas that are critical and where service quality thresholds need to be set. To fall below the minimum threshold in any key area puts one into the danger zone and one's customer will not be satisfied. Customer satisfaction is a compelling issue because in service industry retaining customers is more important than attracting new ones. Retaining customers has a more impact on profit than attracting new ones and thus in order for a company to maximize profit should strive for zero defection through customer satisfaction.

2.1.1.4 Customer Loyalty

Oliver (1999) cited in Akgam (2013) defined customer loyalty as a deeply held commitment to rebuy a preferred product/service consistently in the future, thereby causing repetitive same – brand or same – set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Not only do loyal customers ensure sales, but they are also more likely to purchase ancillary, high-margin supplemental products and services. Loyal customers reduce costs associated with consumer education and marketing, especially when they become net promoters for your organization.

2.2.1 Theories of Customer Satisfaction

A theory is a system of ideas intended to explain something such as single or collection of facts, events, or phenomenon. A theoretical framework of a research project relates to the philosophical basis on which the research takes place and form the link between the theoretical aspects and practical component of the investigation undertaken. The theoretical literature review will cover the Disconfirmation theory and Contrast theory that contributes to the concept of LUKU service quality and customer satisfaction.

2.2.1.1 Disconfirmation Theory

According to Ekinci et al (2004) disconfirmation theory argues that 'Satisfaction is related to the size direction of the disconfirmation experience that occurs as a result of comparing service performance against expected performance. Petrick (2004)

commented that the disconfirmation paradigm is the best predictor of customer satisfaction. Oliver's (1980) updated definition on the disconfirmation theory, which states that "satisfaction is the guest's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment.

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  ┌─────────────────────┐         ┌─────────────────────┐
  │ Expected Performance│         │Perceived Performance│
  └─────────────────────┘         └─────────────────────┘
                    ↘             ↙
                  ┌──────────────────┐
                  │    Comparison    │
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   ┌─────────┐    ┌─────────┐     ┌─────────┐
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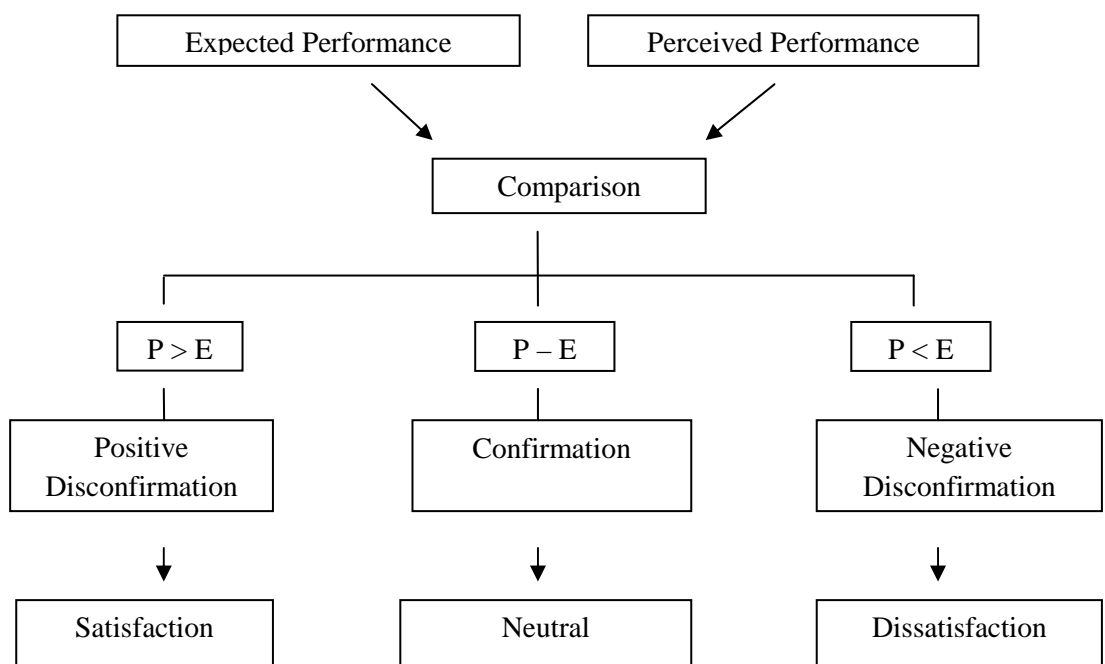
Figure: 2.1: Disconfirmation Theory Model

Source: http://shodhganga.inflibnet.ac.in:8080//13_customersatisfactiontheories

Mattila *et al* (2003) discuss that amongst the most popular satisfaction theories is the disconfirmation theory, which argues that satisfaction is related to the size and direction of the disconfirmation experience that occur as a result of comparing against expectations. Basically, satisfaction is the result of direct experiences with products or services, and it occurs by comparing perceptions against a standard (e.g.

expectations). It also indicates that how the service was delivered is more important than the outcome of the service process, and dissatisfaction towards the service often simply occurs when the customer's perceptions do not meet their expectations. In terms of its application on LUKU services, the theory is relevant in the sense that LUKU service customers tend to have their own set of expectations in terms of the sorts of services expected out of their purchase. These expectations range from the technical, functional and even customer servicing point of views. Their ability to compare their expectation with what they perceive to receive together with the results of that comparison defines their level of satisfaction towards the service. Therefore, the Disconfirmation theory and related literature are applicable in trying to analyze service quality and customer satisfaction from LUKU services.

2.2.1.2 Contrast Theory

Contrast theory suggests that when actual product performance falls short of customer's expectation about the product, the contrast between the expectation and outcome will cause the consumer to exaggerate the disparity (Yuksel and Yuksel, 2008). The contrast theory maintains that a costumer, who receives a product less valuable than expected, will magnify the differences between the product received and the product expected. According to this theory "outcomes deviating from expectation will cause the subject to favorably or unfavorably react to the disconfirmation experiences in that, a negative disconfirmation is believed to result in a poor product evaluation, whereas positive disconfirmation should cause the product to be highly appraised" (Oliver, 1997)

Moreover it is argued that, any discrepancy of experience from expectations will be exaggerated in the direction of discrepancy. In regard to LUKU services quality and perceived satisfaction the theory is relevant in the sense that if TANESCO raises expectations in its advertising on the quality of LUKU service, and then customer's experience is slightly less than the one advertised, the product service might be rejected as totally un-satisfactory. Conversely, under-promising in advertising and over-delivering might cause positive disconfirmation also to be exaggerated. However since TANESCO is a near monopoly in terms of supply of power utility in Tanzania, total rejection of its services may not be practical since customers would not have any alternative supplier for electrical services. However this will lead to an intense level of complaints and dissatisfaction towards the offering.

The two theories are both relevant for the study since they incorporate aspects of comparison between expectations and actual performance which underlines relationship between service quality and customer satisfaction.

2.3 Empirical Literature Review

A study by Evangelos and Yannis (2009) provide a comprehensive discussion on the problem of evaluating customer satisfaction evaluation problem by presenting an overview of the existing methodologies as well as the development and implementation of an original multicriteria method dubbed MUSA (Multicriteria Satisfaction Analysis). According to the study, it is argued that although extensive research has defined several approaches for evaluation of customer satisfaction, all the models and techniques adopt three main principles. These include the fact that all

relevant data of the problem are based on customer judgement and thus the same should be directly collected from them, that customer satisfaction problem is a multivariate evaluation since global satisfaction depends on a set of variables representing service characteristics dimensions and that in order to obtain a global satisfaction level an additive formulae should be used to aggregate partial evaluations.

According to Ibok and Udofot (2012) customers' satisfaction has traditionally recognized as a major determinant of continued loyalty and long term responsive behaviour. They pointed out that, customers' satisfaction is a measure of how firm's product or service is able to meet or surpass customers' expectation. Thus, in a competitive market like the service and utility industry, it consists of the firm crafting holistic strategies in order to keep the customers happy. In relation to the service sector, Oduro (2013) investigated factors that determine customer satisfaction level in banking services from Ghanaian banking industry. According to his study using factor analysis, it was found that three factors which include customer relation and services, staff competency as well as responsiveness and convenience to be among factors influencing consumers' satisfaction level. Mukhtar et al (2014) came up with documentation on customer satisfaction through usage of correlation analysis to check the intensity of relation of customer satisfaction with dimensions of service quality. These dimensions of service quality included reliability, assurance, responsiveness, empathy and tangibility. The study found that service quality is positively correlated with customers' satisfaction. Significantly the most important variable that affects customer satisfaction was tangibility, which is followed by

assurance. Regression equation derived from regression analysis showed that only assurance and tangibility has significant correlation with customer satisfaction, but reliability, empathy and responsiveness have less important relationship with customer satisfaction. Utility companies including electric power suppliers utilize their assets in right direction, providing better tangibility and assurance to customers about their services.

In a study by Kristin (2004) to measure customer satisfaction among business customers of 100 U.S. Electric utilities, each of which serves more than 25,000 business customers it was highlighted that the overall satisfaction is examined across six factors. Listed in order of importance, the factors include power quality and reliability, billing and payment, corporate citizenship, price, communications, and customer service. The study findings also revealed that power and reliability satisfaction among customers who receive outage information is higher than those who do not recall any information. Abdullatif (2013) focused on the determinants of electricity consumers' satisfaction in selected electricity distribution zone in Nigeria. The study designed a scheme for evaluating customers' satisfaction with a view to determine their level of satisfaction and in the process compute satisfaction index using multi stage sampling techniques. The study observed that there are six major indicators appeared to be more significant in the scheme for customer satisfaction. These include product measurement, quality of service, network reliability, willingness to pay, responsiveness and professionalism.

Seyoum (2012) on the other hand conducted a study on customer service quality in Addis Ababa - Ethiopian Electricity Power Corporation (EEPCO) with emphasis on prepayment service quality by comparing customers' perception of the received service against their expectation using SERVQUAL as a methodological approach. The study found that there were a substantial gap between customers' expectations and that of the service received which adversely affected the overall customer service experience with the corporation. Significantly the unfavourably held view of the customers on the corporations' quality of services delivery was also shared among employees who actually are involved in the process of delivering services.

On top of that Luhemeja et al (2010) assesses the relationship between the service quality and the customer's purchase decisions and satisfaction. These have been important factors in the open market economy competition. Rise and fall of any business to date depends largely on customer repurchase decision. In this study service quality was found to have significant relationships with customer's purchase decision and satisfaction, length of time spent in waiting for the service, language of employees to customers purchase intension and decision. The study revealed that quality of services in terms of speed of service deliverance and service reliability had some impact on the customer's satisfaction and repurchase decisions in the water and electricity utilities. The study recommended that utilities should invest in good hiring and training procedures of its human resource due to the fact that these companies are service oriented more direct contact between employees and customers and thus a positive attitude of customer about the company could be created by the company's staff himself. The study also recommended presence of a standardized service

performance process throughout the organization to streamline services to customers offered from various service centres The literature reviewed showed that service quality and customer satisfaction are aspects which relates and influence each other. Furthermore, the literature suggest that the determinants of customers' satisfaction though in general may be similar in specific industries, specifically varies according to the nature of the product and services on offer and in the case of customer satisfaction with respect to LUKU service quality in Tanzania context, the same is yet to be addressed in the literature.

2.4 Conceptual Framework

A conceptual framework is the researcher's own position on the problem and gives direction of the study. It may be an adaptation of a model used in previous study with modification to suit the inquiry. Aside from showing the direction of the study, through the conceptual framework, the researcher can use the framework to show the relationships of the different constructs aimed to be investigated.
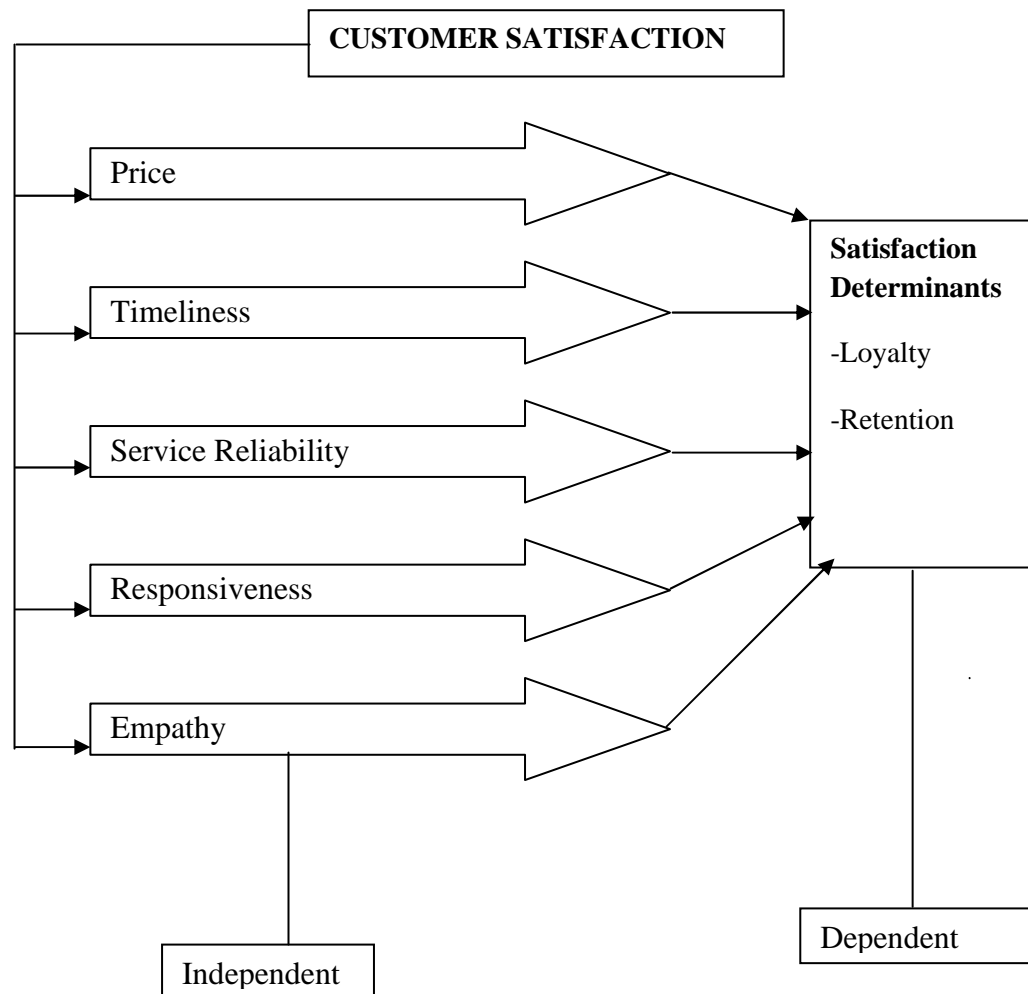
Figure 2.3 *Conceptual Framework*

Source: Researcher 2015

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section describes the research approach, study area, target population, the sample and sampling procedures, methods to be used for data collection and their administration. The chapter describes the ways in which different types of data was used and analyzed.

3.1 Research Design

According to Kothari, (2002) research design is the plan showing the approach and strategy of investigation aimed at obtaining relevant data which fulfills the research objectives and answer questions. This study was a descriptive research conducted through a case study design since such design has proven to be useful in describing and explaining answers to questions such as how and why. It was expected that the data from the sample and case study would be relevant and accurate enough to provide findings capable of covering the research gap.

3.2 Area of the Study

The study was conducted in Kinondoni Municipal which is among the areas with LUKU service study because of envisioned customers. Considering the wider coverage of LUKU services across the country and limitation of resources, Kinondoni Municipal was deemed to be suitable for the study because of the envisioned availability relevant information related to the perceived quality of LUKU services and how customers are satisfied with the service offered. Kinondoni

Municipal Council is the northernmost of three municipalities in Dar es Salaam, Tanzania, the others being Temeke (to the far Southeast) and Ilala (downtown Dar es Salaam). To the east is the Indian Ocean, to the north and west the Pwani region of Tanzania, is located in the northern part of Dar es Salaam City Since some of the information was expected to be obtained from employees of the LUKU services supplying company, TANESCO Magomeni branch was also used as a case organization. TANESCO was selected because the company's core business is generation, transmission, distribution and sale of electricity to the Tanzania mainland and bulk power supply to the Island of Zanzibar.

3.3 Research Approach

The study used both qualitative and quantitative approach in interpreting the findings from the data collected. Qualitative research is a research using methods such as participants' observation or case study which result in a narrative, descriptive account of a setting or practice (Parkinson & Drislane, 2009). Qualitative approach was used because it gave the researcher an opportunity to study in depth a particular aspect of interest related to the problem to enable collection of facts relevant in establishing causes relationships and solutions to the problem. The qualitative research enabled the researcher to get an insight in assessing customer service satisfaction on LUKU users. The approach allowed for usage of methods such as interviews, observations and surveys in achieving the intended objectives.

3.4 Study Population

Sample frame is a complete list of all the cases in the population from which the sample is drawn (Saunders et al, 2009). In this context the sample frame was the customers of TANESCO.

The study was conducted in Kinondoni Municipal, it has an area of 531 sq. km with a population of 2,497,940. The population growth rate is estimated to be 4.3% per annum and the population density is 1,179 people per square km. (Kinondoni Municipal Council Report, 2015). The population is getting more advanced and demanding better services.

3.5 Sample Size, Distribution and procedures

A sample according to sample is a segment of population in which researcher is interested in gaining information and drawing conclusion (Barbie, 1992). Sampling on the other hand involves process or technique of selecting representative part of population for the purpose of determining parameters of characteristics of the whole population. Ideally, a sample size should be large enough to serve as adequate representatives of the population and small enough to be selected economically in terms of subject availability. For the purpose of this study the sample size constituted respondents from LUKU service customers around Kinondoni Municipal, Dar-es-salaam and respondents from TANESCO Magomeni offices. A sample of 25 LUKU service customers around Kinondoni Municipal and 5 employees from TANESCO Magomeni branch was selected for the purpose of this study. In order to ensure quality of data collection in the midst of the fact that not all employees could be in a

position to provide relevant information on customer service satisfaction on LUKU

users a purposely sampling was adopted.

Table 3.1: Respondents Selected in the Study

Target group	Number of respondents	Percent (%)
Customers	25	83
Employees	5	17
Total	30	100

3.6 Data Collection

For the purpose of this research, and in order to achieve the objectives of the study,

both primary and secondary data was used. The secondary data contributed toward

the formation of background information needed by the researcher in order to

constructively build the study and help the reader to easily comprehend through the

outcome of the study. Three source of data collection was used for the purpose of

this study. These included questionnaires, interview, documentary review and

observations.

3.6.1   Questionnaire

Cohen *et al* (2007) defines a questionnaire as a self report instrument used for

gathering information about variables of interest to an investigation. Questionnaires

was adopted for the purpose because they are cheap to administer, and will provide

enough time to the researcher to reflect on the adequacy and meaning of responses.

Since questionnaires do collect written information from literate respondents and

those who are able to answer items adequately, they were suitable for the ability of

respondents from TANESCO. A pointed out by Churchill (2004). The questionnaires containing both closed and open ended questions were used to collect information.

3.6.2 Interview

According to Mugenda & Mugenda (1999) an interview schedule is a set of questions that the interviewer asks when interviewing. Interview technique was used in order to reach the objectives since it is the most useful and productive method of communication and enables spontaneity. It is envisioned that through interviews, the researcher was able to guide the discussion back to the topic outlined in cases where discussions were unfruitful. For the purpose of this study semi structure interviews was conducted to sampled staff and LUKU service customers.

3.6.3 Documentary Review

According to Saunders et al (2007) documents are secondary form of data collected and stored by organizations or governments so as to be used by externals who are interested with those data to use in any relevant area of interest. In relation to this form of data collection, documents related to customer service satisfaction were reviewed.

3.6.4 Observations

An observational research technique involves the researcher making observations which are flexible and not necessarily revolve around the formulated hypothesis. The researcher conducted observation to the study area in order to gain an understanding of the activities involved in customer service satisfaction. This facilitated comparison

between data collected on through observations and the data collected through questionnaires, interviews and documentary review.

3.7 Types of Data

Research data is data that is collected, observed, or created for the purpose of analysis to produce original research results. Data are distinct pieces of information, usually formatted in a special way. Data involves facts, figures and any other relevant materials past and present serving as bases for study and analysis.

According to Kothari (2004) there are two types of data namely primary data and secondary data on which the researcher should keep in mind. For the purpose of this study both primary and secondary data were employed.

3.7.1   Primary Data

According to Kothari (2002) the primary data are those which are collected afresh and for the first time. These include sources of information on the dependent and independent variables of the study. In collection of primary, data questionnaires were administered to customers as well as employees of TANESCO. Observations were made on customer service satisfaction in place to collaborate in providing relevant and first-hand information to the researcher.

3.7.2   Secondary Data

Secondary data are data that are already available and refer to data that have already been collected and analyzed by someone (Kothari, 2005). Secondary data were

obtained through documentary review, which included published and unpublished documents, journals, and reports. This type of data helped the researcher to understand the nature of current customer service satisfaction existing.

3.8 Sampling Procedures

The researcher intended to use purposive sampling technique for the purpose of obtaining information from the right people who can assist at large in coming up with valuable data which are valid and reliable when tested under the same conditions. The sample size is considered to be reasonable and attainable to use purposive sampling since it is manageable involving respondents who are knowledgeable with the matter at hand.

3.9 Data Analysis Procedures

Lincoln, (1994) described data analysis as being a systematic process involving working with data, organizing and dividing them into manageable parts. The data were analyzed in relation to the particular research objectives and questions to find out whether the findings give the results of the research study. The data were analyzed using quantitative interpretation of descriptive statistics. The responses received from the questionnaires and interview was organized, tabulated and analyzed using simple frequencies and percentages. Data were presented in descriptive form supported by means, tables, frequency distributions and percentages. Care was taken by the researcher to note the number of times a view was expressed and the number of respondents that expressed that view. This will form the basis for drawing conclusions.

CHAPTER FOUR

STUDY FINDINGS AND DISCUSSION

4.0 Introduction

This chapter describes the analysis and discussion of findings from the data collected

from the study guided by the researcher's objectives and questions mentioned in

chapter one. This chapter therefore provides a picture of the findings related to

factors that influence LUKU service customers' satisfaction, the level of satisfaction

among LUKU service customers and identification of common problems facing

LUKU service customers.

4.1 Group of LUKU Service and Customers Served by TANESCO

4.2 General information of the respondents

This section presents data on the general information on the respondents such as

gender, employment status, level of education and age.

4.1.1 Gender of Respondents

In order to get an insight of the general information of the participants to the study,

the respondents were requested to provide their gender. The results are shown

presented in Table 4.1 below:

Table 4.1: Gender of Respondent

Gender	Frequency	Percentage (%)
Male	12	40%
Female	18	60%
Total	30	100%

Source: Research findings, 2015

The results of Table 4.1 show that both genders participated effectively in providing responses to the research questions. The findings shows that out of 30 respondents who participated in the study, 60% of the respondents were female while the remaining 40% of the respondents were male. Equal participation of genders in the study helps to validate the results of the study by eliminating the possibility of acquiring data which are sensitive to a particular gender alone and thus being subjective.

4.1.2 Age Patterns of the Respondents

Respondents were similarly asked to provide information concerning their age as a way of understanding general information of those who participated in the study. The results are shown presented in Table 4.2.

Table 4.2: Age of Respondents

Age Patterns	Frequency	Percentage
Below 20 years	3	10%
21 – 40 years	14	47%
41 – 60 years	8	27%
Above 60 years	5	16%
Total	30	100%

Source: Research findings, 2015

The results of Table 4.2 show that most of the respondents were of age between 21 and 40. These results suggests customers who are mostly using and are aware of LUKU service are those with the age between 31 and 40 years which was represented by 47% of the respondents. This age group is seen to be the most active in terms of involvement in business operations and other activities which involve the use of LUKU. On the other hand 20% of the respondents were of the age below 20 years, 27% of the respondents were of the age between 41 and 60, while 16 % of the respondents were of the age above 60 years. The ability to collect information from relevant age group helped in collection of useful and relevant information in relation to the study at hand.

4.1.3 Education Level of Respondents

Respondents educational level was another aspect used to gather general information of those who participated in the study. The results are shown on the Table below:

Table 4.3: Education level of Respondents

Education Level	Frequency	Percentage
Primary	3	10%
Secondary	11	37%
Tertiary	16	53%
Total	30	100%

 Source: Research findings, 2015

4.1.4 Research findings, 2015

Table 4.3 above shows that data were collected from respondents with different educational background, whereby 53% of the respondents had a tertiary educational background, 37% had a secondary educational background while the remaining 10% of the respondents had a primary educational background. Although the level of education could enhance the quality of responses in terms of technical aspects, assessment of the level of customer satisfaction did not very much depend on the education of the respondents but rather usage and general understanding on the services offered.

4.1.5 Occupation of Respondents

The respondents were also requested to provide information on their occupation as a way of gathering their general information. The results of the said inquiry are tabulated in the Table 4.4 below:

Table 4.4: Occupation of Respondents

Occupation	Frequency	Percentage
Peasant	4	13%
Civil Servant	5	17%
Business man/woman	18	60%
Others	3	10%

Source: Research findings, 2015

4.2 Customer Satisfaction on Service Quality

4.2.1 The Level of Customer Satisfaction on LUKU Service Quality

In order to get an insight into the level of satisfaction on the quality of the LUKU services offered, the respondents were asked to indicate their perceived level of satisfaction on LUKU services. The results are shown in the table 4.5 below:

Table 4.5: Satisfaction Level on LUKU Service

Satisfaction Level	Frequency	Percentage
Very Satisfied	0	0%
Satisfied	7	23%
Dissatisfied	20	67%
Not sure	3	10%
Total	30	100%

Source: Research findings, 2015

The 4.5 above indicates that up to 67% of the respondents were dissatisfied with the quality of LUKU service, while 23% of the respondents indicated that they were satisfied with the services. On the other hand 10% of the respondents were indifferent between being satisfied and being unsatisfied with the LUKU services. The results of the findings implies that majority of the respondents were not satisfied with the LUKU services which impliedly suggest that their level of satisfaction was similarly low.

4.2.2 Consideration on the Indicators of LUKU Service satisfaction

In identifying important indicators of LUKU service satisfaction, the respondents were asked to indicate what they consider to be indicators of LUKU service quality and customer satisfaction. Respondents were requested to indicate which among five pre-determined factors of price, timeliness, network reliability, responsiveness, and empathy. The results are as shown below in the Table 4.6

Table 4.6: Indicators of LUKU service satisfaction

Indicators	Frequency	Percentage
Price (the value of the service)	28	93%
Timeliness (ability to deliver service timely)	21	70%
Network Reliability (performance of the service)	25	83%
Responsiveness (reaction in terms of emergency)	26	87%
Empathy (staff capacity to understand customers perspective)	17	57%

Source: Research Findings, 2015

According to the results of table 4.6 price mentioned by 93% of the respondents, network reliability (83%) responsiveness (83) and timeliness (70%) were highly considered to be valid indicators of LUKU service quality and customer satisfaction. Customer satisfaction indicators or attributes enable an organization to understand the extent to which satisfaction with a service is influenced by factors inside its control and work to apply appropriate measures to ensure quality and satisfaction. Most importantly, customer satisfaction measurement helps an organization focus on its customers, and should galvanize service owners, customer-facing staff, policy, strategy and research staff, as well as senior management, around the aim of

improving the customer experience. Among all these factors price of the services was highly considered to be an indicator of customer satisfaction since price changes people's experiences with a product, to the extent that if price charged is in medium range and the company offers a premium level of service (level above customer expectations for the price paid) what follows is a high customer satisfaction. In line with other factors identified by the respondents the results of the International Journal of Innovative Research and Development indicated that among notable factors for service quality and satisfaction include promptly and timely delivery of service (timeliness), credible treatment of customers (empathy) and provision of promised services dependently and accurately (service reliability).

4.2.3   Level of satisfaction with regard to the LUKU service satisfaction indicators.

In trying to assess the level of customer's satisfaction with regard to the identified indicators for LUKU service quality and customer satisfaction, the respondents were asked to indicate their level of satisfaction with regard to each identified indicators.

4.2.3.1 Price – the value of the service

The respondents were asked to indicate the level of satisfaction by considering price as an indicator towards LUKU service satisfaction. The results are shown in the Table 4.7 below.

Table 4.7: Price

Price	Frequency	Percentage
Very satisfied	0	0%
Satisfied	2	7%
Dissatisfied	28	93%
Not Sure	0	0%
Total	30	100%

Source: Research Findings, 2015

The results of Table 4.7 above indicates that 93% of the respondents were dissatisfied with the price offered on LUKU services while only 7% of the respondents indicated satisfaction with the price. These results are in line with Ross (2014) who pointed out that setting a right price and keeping customers happy can be

hard to achieve, although such an ability to set a right price can lead to improved customer satisfaction and consequential increase in revenue. Hermann et al. (1992) cited in Ross, B (2014) illustrated that the price perceptions directly influence satisfaction judgments empirically. In this context, if price does affect customer satisfaction, TANESCO should ask themselves if they are charging right price to enhance high customer satisfaction. Furthermore Herrmann et al. (2007), concluded that customer satisfaction is directly influenced by price perceptions, although indirectly, through the perception of price fairness. The price fairness itself and the way it is fixed and offered have a great impact on perceived quality and satisfaction.

4.2.3.2 Timeliness – ability to deliver service timely

The respondents were asked to indicate their level of satisfaction with regard to timeliness of LUKU services. The results are shown in the Table 4.8 below.

Table 4.8: Timeliness

Timeliness	Frequency	Percentage
Very satisfied	0	0%
Satisfied	9	30%
Dissatisfied	21	70%
Not Sure	0	0%
Total	30	100%

Source: Research findings, 2015

The results of Table 4.8 indicate that 70% of the respondents were dissatisfied with timeliness while the remaining 30% of the respondents were satisfied. Ability to deliver services on timely basis creates good impression on customers about a particular service in question. Among the responses from various customer survey indicates how customer's value company's ability quickly respond to customer requests. In the current environment, customers have less time and would wish to get what they want promptly without spending much time in long queue waiting for services. Customers want service delivery to take the minimum amount of time possible. As the complexities in the modern life of customers increase, the corresponding demand for precision from suppliers requires that products and services be delivered on or before the agreed upon time. Customers want suppliers they can depend upon, who can deliver when and how they say they would deliver.

If customer satisfaction is the supplier's goal then the supplier must understand that timeliness is one of the most important factors in the customer supplier relationship. Suppliers must strive to improve every aspect of timeliness within their capability. The first step for improving timeliness is the simple process of putting yourself in the customer's shoes. Actually walk through the process the customer experiences and identify where the timeliness issues show up and where the customer's time is wasted and work to correct them.

4.2.3.3 Service Reliability – Provision of promised services dependently and accurately

The respondents were also asked to indicate the level of satisfaction with service reliability as an indicator of LUKU service quality and customer satisfaction. The results are shown in the below Table.

Table 4.9: Service Reliability

Service Reliability	Frequency	Percentage
Very satisfied	0	0%
Satisfied	5	17%
Dissatisfied	25	83%
Not Sure	0	0%
Total	30	100%

Source: Research findings, 2015

Table 4.9 above reveals that 83% of the respondents indicated that were dissatisfied with the LUKU service reliability while the remaining 17% of the respondents were satisfied with the same. Operational factors such as insufficient supply of electricity, breakdown of facilities, power interruptions and unreliable network are some of the issues contributing into unreliable services. Frequent power interruptions experienced by customers without prior notification has been a major cause for customer dissatisfaction among LUKU service customers. Section 26(3) of the Electricity Act No 10 of 2008 set an obligation to TANESCO in non emergency situations to provide advance notice of the suspension of electricity however this has

not been thoroughly observed or done in manner deemed sufficient to customers. In this regard unannounced and frequent power interruptions had been mentioned to causing damages and malfunctioning of customers' electrical appliances, disruption of businesses and other daily operations. With this regard TANESCO should work to ensure that power interruptions are given prior notification, be as brief as possible and affect fewest numbers of customers as possible. On the other hand the positive move of integrating information technology in provision of LUKU services has led to network reliability problems. Provision of LUKU services has been integrated into various information technology avenues to ensure that customers get access to the services easily. Purchase of LUKU services through LUKU machines, Max Malipo, mobile phones operators such as Tigo Pesa, M-Pesa, Airtel Money and purchase of LUKU services through online banking services such as CRDB, NMB mobile have been used to improve access to services and thus reliability of the network in accessing the same had been of great importance to customers. Usage of information technology in providing up to date and relevant information to customers including notices of power interruptions is also an area which could be adopted in an effort to TANESCO's compliance with the law, enhancement of service quality and ultimately improved customer satisfaction.

4.2.3.4 Responsiveness – reaction in terms of emergency

Respondents were asked to indicate their level of satisfaction on responsiveness of LUKU services as one of the indicators of LUKU service quality and customer satisfaction. The results are shown in the Table 4.10 below:

Table 4.10: Responsiveness

Responsiveness	Frequency	Percentage
Very satisfied	0	0%
Satisfied	4	13%
Dissatisfied	26	87%
Not Sure	0	0%
Total	30	100%

Source: Research findings, 2015

The results of Table 4.10 above indicates that up to 87% of the respondents were dissatisfied with the responsiveness of TANESCO during reported emergency situations while the remaining 13% of the respondents indicated satisfaction in terms of reaction to emergency situations. Lack of promptly and swift response to emergency situations reported to TANESCO by LUKU customers is one of the major causes for perceived low quality of services and customer dissatisfaction. Matt (2010) noted that in the modern world where systems are a necessary part of customer service delivery on time of emergency cannot be neglected. Many customers have been complaining that emergency services have not been responding swiftly and some TANESCO employees use foul language to concerned customers. An incident reported in the Daily Newspaper of 3rd May 2015 were by the Minister ordered TANESCO to take disciplinary measures against three arrogant staff from Tabata, Temeke and Tazara for alleged negligence and lack of response on emergency reported to them is an example of lack of responsiveness which had been

mentioned by the respondents to the study. Lack of response in cases of emergency has tarnish the image of TANESCO and endanger property and the life reporting customers who remained to be at risk the longer the emergency remain unattended. It is imperative that TANESCO work to ensure that its emergency response unit work diligently to ensure customers LUKU related problems are resolved on timely basis and enhance service quality and customer satisfaction.

4.2.3.5 Empathy – capacity of the staff understanding the customer's condition from their perspective

The respondents were also asked to indicate the level of satisfaction with regard to empathy as an indicator of LUKU service quality and customer satisfaction. The results indicated in the Table 4.11 below:

Table 4.11: Empathy

Empathy Satisfaction	Frequency	Percentage
Very satisfied	0	0%
Satisfied	6	20%
Dissatisfied	17	57%
Not Sure	7	23%
Total	30	100%

Source: Research findings, 2015

The results of Table 4.11 indicates that 57% of the respondents were dissatisfied with the capacity of the staff to empathize with customer needs and requests, 20% of the respondents indicated satisfaction with empathy level while the remaining 23% were indifferent between being satisfied and dissatisfied. Empathy is one of the very important aspects in ensuring that services are delivered to customers in a friendly manner to enhance the experience with the services. In order to optimize empathy it is crucial that customers define the service in the same way as the service provider. Jeff (2014) narrated the confounding aspect about empathy is how obvious the problem seems to those who can relate to the situation. Employees who have had similar experiences are often naturally able to empathize with their customers in a way that other employees can't. Susan (2004) described Customer Service from the Heart is service that is delivered with care, with empathy and yes, even with love. This kind of service has positive effects on the bottom line of the companies that model, train and encourages their employees in service from the heart. Companies that truly care for their customers are generally more profitable than those which do not. Incidences of poor customer handling and services related to TANESCO entails that the company should consider the importance empathy in ensuring customer service satisfaction. Empathy should come from having had similar experiences and thus the easiest way to help customer service employees become more empathetic is to put them in their customers' shoes through simulation training. That is one of the best ways to satisfy customers.

4.3 Factors Indicating Customers dissatisfaction

In order to gets an insight into factors contributing into customer dissatisfaction with respect to LUKU services, the respondents were asked to list some of the factors which led them to be dissatisfied with LUKU services. The results of the findings are shown in the Table 4.12 below:

Table 4.12: Reasons for Customer Dissatisfaction

Dissatisfaction Reasons	Frequency	Percentage
Expensive services	29	97%
Poor customer service / care	25	83%
Poor technology and connectivity	18	60%
Delays in case of emergency	21	70%
Unreliable service	15	50%
Poor information about the service	11	37%
Lack of service choice/variations	13	43%

Source: Research Findings, 2015

The results of the findings shows that among the commonly mentioned causes for customer dissatisfaction include expensive service compared to the daily electrical use mentioned by (97%) of the respondents, poor customer service / care (83%), Delays in case of emergency (70%), poor technology and connectivity (60%), unreliable service (50%), lack of service choice/ variations (43%), and poor information about the service (37%). In support of the above findings Anuwichanont,

2011 argued that higher prices have negative effects on customer purchase (Anuwichanont, 2011). Similarly various researches have stated that perceived fair price is an influential factor on companies' success. Jiang and Rosenbloom, 2005 pointed that customers always compare expected price with the price that they have paid and if a price is perceived to be less than the reference price, then customers will perceive price fairness and transaction value else they feel loosing value. Furthermore according to Tourism and More Journal (2008), customer dissatisfaction comes from a variety of causes which include inability to deliver what is promised, lack of accepting personal/corporate responsibility, rudeness and inability to connect with customers, and unconscious projected attitude of "I really hate my job and/or the people whom I have to serve.

It is argued that quality customer service positively affects customer satisfaction. As Looy et al (2003) points out that Service quality is one of those factors that contribute to customer satisfaction. And 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 behavioral 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. TANESCO 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.

In the long run the TANESCO will gain from the quality service by increasing its customer retention and profitability. Customer service favorably affects customer loyalty and retention which is the resultant behavioral 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).

4.3 Challenges and Solutions towards ensuring customer satisfaction in TANESCO

4.3.1 Challenges towards Ensuring Customer Satisfaction

In order to gets an insight into the challenges facing TANESCO in ensuring effective and quality services, the respondents were asked to identify some of the challenges facing TANESCO. The results of the findings are highlighted in the Table 4.13 below.

Table 4.13: Challenges

Challenges	Frequency	Percentage
Ability to deliver high quality customer service	20	67%
Under qualified employees	8	27%
Handling the large number of customers	15	50%
Ability to employ advanced and reliable/relevant technology	22	73%
Ability to avoid theft	13	43%
Ability to provide crucial information on timely basis	19	63%

Source: Research Findings, 2015

The Table 4.13 above reveals that 73% of respondents indicate that inability to employ better advanced and more reliable/relevant technology is the biggest challenge faced by TANESCO. Other challenges mentioned include ability to deliver high quality customer service mentioned by 67 % of the respondents, ability to provide crucial information on timely basis (63%), handling the large number of customers (50%), inability to control theft (43%) and presence of under qualified employees mentioned by 27% of the respondents. Under normal circumstances companies do faces various challenges in ensuring that their customers are satisfied and are happy with the products and services offered by the company. This is in line with Kotler (1997) who emphasized that, "the cost of keeping a new customer is estimated to be five times the cost of keeping a customer happy". In the case of TANESCO, lack of advanced and reliable technology has proven to be a hindrance in ensuring quality of services offered and eventual customer satisfaction. In an interview with some of the respondents, they had pointed out that buying LUKU units have been a challenge either through unavailability or delays. Furthermore the LUKU machines have been prone to being tempered with and thus leading to theft and loss of revenue as well as destruction of infrastructure of the company. Presence of competent staff is another important aspect in ensuring service quality and customer satisfaction. Competent staff that posses required skills, knowledge and courtesy helps to convey trust and confidence of customers to the services offered by the company. Presence of incompetent staff has a negative effect on perceived quality and customer satisfaction and thus should be avoided by companies.

4.3.2 Proposed Solutions to the Challenges to Enhance Customer Satisfaction

The respondents were also asked to propose solutions to counter challenges facing TANESCO in ensuring quality service and customer satisfaction. The results are shown in the Table 4.14 below.

Table 4.14: Proposed solutions to the challenges

Proposed Solutions	Frequency	Percentage
Employ reliable and relevant technologies	22	73%
Conductive customer satisfaction surveys and respond to the results	17	57%
Recruit qualified personnel for quality service provision	20	67%
Enhance operational capability	11	37%
Education provision to the customers	9	30%
Build staff capacity	12	40%
Improve and build strong security system to avoid theft	13	43%

Source: Research findings, 2015

The results of table 4.14 show that 73% of the respondents suggested employment of reliable and relevant technologies. Recruiting qualified personnel for quality service provision was suggested by 67% of the respondents, recruitment of qualified personnel mentioned by 67% of the respondents, conducting customer satisfaction survey (57%), improving security systems to avoid theft (43%), building staff capacity (40%) and enhancement of operational capability (37%).

In order to enhance the quality of service offered and be successful effective customer care has proven to be a crucial aspect for business organizations and because of increasing competition (both for profit or nonprofit) has forced businesses to pay much more attention to satisfying customers, including by providing strong customer service. Increasingly companies have become more aware on the role of customer service in the overall context of product or service development and management. Improvement of security systems is also crucial in order to avoid theft, since there are customers collaborating with some of untrustworthy and non staff (known as vishoka) in fraudulent acts which include vandalism, theft, and sabotage of systems and infrastructure. Incidents involving illegal usage of stolen LUKU machines whereby unscrupulous customers have also been rampant and contribute to the struggles of the utility company. TANESCO therefore should find and build strong security by hiring the right people, use electronic physical security (EPS) and surveillance system to ensure safety of and minimize losses.

Building staff capacity through provision of proper trainings to new and current staff to meet their key responsibilities is very crucial in ensuring delivery of quality services and ultimate customer satisfaction.

Furthermore, enhancing operational capability is very important in the sense that it assists organizations to better understanding and effectively integrate the total enterprise ability or capacity to achieve .The ability to provide education and creating awareness to the customers about the product is a means to achieve customer

satisfaction since when people understand what the product is and how it works, helps to influence the level of satisfaction.

4.3.3   Discussion of the findings

In this study the researcher tried to assess LUKU service quality and customer satisfaction in Tanzania by trying to gauge the level of satisfaction of customers in relation to five indicators of LUKU service quality and satisfaction. These five indicators which were generally identified through the literature were price (entailing the value of the service), timeliness (ability to deliver the service timely) Service reliability (provision of promised services dependently and accurately), responsiveness (reaction in terms of emergency) and empathy (capacity of the staff understanding the customers condition from their perspective). The findings of the study found that there is positive relationship between service quality and customer satisfaction. These findings are in line with the study conducted by Luhemeja et al (2010) who assessed the relationship between the service quality and customer purchase decisions and satisfaction in utilities and found that service quality have the significant relationship with customers purchase decision and satisfaction. Furthermore Ibook and Udofot (2012) found out that customer satisfaction is a measure of how firm's product or service is able to meet or exceed customer's expectation which entails a positive relationship between quality and satisfaction of respective customers.

The results of the study furthermore show that the respondents considered price (93% of the respondents), timeliness (70%), reliability (83% of the respondents),

responsiveness (87%) and empathy (57%) to be among the indicators of service quality and related customer satisfaction. The respondents also identified poor customer service to be among the major cause for dissatisfaction which further highlights the importance of customer service in satisfying customers. These findings are in line with the study conducted by Abdullatif (2013) who identified network reliability, willingness to pay, responsiveness to be among the factors influencing customer satisfaction. J.D Power (2005) on the other hand identified reliability, price and customer service to be among the factors influencing overall customer satisfaction in electricity utilities. The results are also in line with the Mukhtar et al (2014) who identified the dimensions of service quality to include reliability, assurance, responsiveness, empathy and tangibility. Muktar et al (2014) on the other hand concluded that reliability, responsiveness and empathy have less important relationship with customer satisfaction as compared to other indicators such as willingness to pay (price) and tangibility. The study furthermore found that among the factors leading to dissatisfaction on LUKU service were expensive services, poor customer service/care, poor technology and connectivity, delays in case of emergency, unreliable service, poor information about the service and lack of service choice/variations. These factors directly affect the perceived quality of services negatively and thus underlining the positive relationship aspect between service quality and customer satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSSION AND RECOMMENDATIONS

5.0 Introduction

This chapter aims at providing conclusion from the study. Chapter one defined the problem under study while the second chapter reviewed the literature relevant to the problem under the study. Chapter three highlighted on the research methodology whereas chapter four discussed data analysis and results for the study. It is therefore the aim of this chapter to discuss the conclusions, recommendations and suggest areas for further study.

5.1 Summary

This dissertation report sought to assess LUKU service quality and customer satisfaction. The research report sought to establish the extent to which LUKU services customers have been satisfied with the service provided by TANESCO. The research design used is through questionnaire, interview, documentary review and observations. The major finding of the reports indicates that all the research objectives were relevant and important as presented in the chapter four.

5.2 Conclusion

As reported by various scholars, service quality and customer satisfaction is a very important aspect in business within the electricity sector/industry among others. Since offering a better quality to satisfy the needs of customers should be at the forefront of business agenda for LUKU service providers, therefore the study aimed at assessing the quality of LUKU service and related customer satisfaction in

Tanzania. Qualitative approach was used with some element of quantitative approach in computation of frequency, percentage and use of tabulation

On the basis of the findings of the study, main factors influencing LUKU customer satisfaction and the service quality are price, timeliness, network reliability, responsiveness in case of emergency and empathy.

It has also been observed that, price and responsiveness have a relatively higher impact on customer satisfaction than the other mentioned factors. However, TANESCO should concentrate much on responsiveness than price, as several studies that examined the relationship between customer satisfaction and price tolerance has found a positive association between changes in customer satisfaction and changes in price tolerance. According to Anderson, 2014 reported increasing customer satisfaction is likely to decrease price elasticity of demand. This tells us that over time, customer satisfaction does influence price tolerance. It means that as a customer becomes more satisfied with the level of service delivered by a company, price becomes less a factor. Moreover, network reliability, timeliness and empathy should be taken care for by TANESCO as a way of enhancing LUKU service quality and customer satisfaction. The study also found that LUKU service quality has direct positive relationship to customer satisfaction as the lower the quality of service offered lead to lower customer satisfaction and vice versa. Thus TANESSCO's ability to provide services that meets customers' needs is an important factor that could influence customer satisfaction with regard to LUKU services in Tanzania.

The study also contributes into existing knowledge on the issue of LUKU services customer satisfaction in Tanzania, which has not received much attention in the literature.

5.3 Recommendations

On the basis of the findings of this study, the following recommended measures are envisioned to enhance LUKU service customer satisfaction in Tanzania

i.   To ensure proper understanding of customer's concerns and needs in order to properly serve them. The relevant information can be gathered through customer forums and surveys, as well as through the interactions that occur during normal course of transactions. Usage of comments and concerns to determine ways the business can achieve a better response can also be adopted. Gathering of ideas from various individuals within the business to gain an insight on how the potential adjustments will impact the customer and the company is also crucial.

ii. Applications of modern technology can help improve service excellence, by improving operating processes and helping to gain and collect more information on customers' needs as well as improving service delivery to customers in order to maintain customer satisfaction levels.

iii. Employees of TANESCO should thoroughly trained on the LUKU service, to be able to respond to queries and converse on the product and services. Implementing training and continuous education programs are very effective methods for improving and maintaining customer satisfaction.

iv. Management of TANESCO should work on different customer's complaints and establish a system of collective through various means. Some of these means are suggestion boxes, effective use of information and communication technology (ICT) such collection of suggestion using e-mails, website and others.

v. To re–evaluate the pricing strategy in order to bring it in-line with the customer satisfaction goal. TANESCO should raise the company's prices and proportionately allocate more resources to create an amazing experience that surprised the customers. This will lead to stronger satisfaction and happy customers who consider the company's prices to be fair.

vi To increase operational controls to prevent the issue of theft in the company. It is important to review policy and procedure to identify any weaknesses and enforce a zero tolerance approach to employee theft and dishonesty and consider cross training employees and rotating their duties so that no single employee is responsible for operation of an entire area. Furthermore conducting regular audits to prevent deter stealing.

5.4 Future Research Topics

Considering the usefulness of electricity and the growth and application of Information and Communication Technology (ICT) around the globe, it is obvious that current and future supply of electrical services such as LUKU services would very much integrate the use of ICT in enhancing supply or services and outreach to customers and other stakeholder. Therefore, a future research can be performed to assess the impact of ICT in provision, service quality and customer satisfaction of LUKU services.

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APPENDICES

Appendix: RESEARCH QUESTIONAIRE

Dear Respondent,

RE: **Structured Questionnaire on the LUKU Service Quality and Customer satisfaction: A case of Kinondoni Municipal**.

The objective of this study aims at collecting data related to LUKU service quality and customer satisfaction in order to understand the current levels of service quality and customer satisfaction and recommends measures for improvement. You are requested to respond to the following questions freely and to the best of your knowledge. Your response will highly contribute to the achievement of this research the results of which are intended to enhance LUKU service quality and customer satisfaction. The researcher wishes to assure you anonymity and that the information obtained will be treated as confidential and solely for the purpose of this research and not otherwise.

The research is conducted as partial fulfillment for the requirement of Masters of Project Management. Therefore all information gathered will be treated for academic purposes only and not otherwise

SECTION A: Respondent's General Information

1.1   Gender: Female {   } Male {   } tick where appropriate

1.2   Age: i. below 20{   } ii. 21-30 {   } iii. 31-40 {   } iv. 41-50 {   } v. 51-60 {   } vi. 61+ {   }

1.3   Education Level. i. Primary {   } ii. Secondary {   } iii. Tertiary {   }

1.4   Occupation i. Peasant {   } ii. Civil Servant {   } iii. Self-employed {

} iv. Others (specify) ……………………………………………

1.5   Do you understand what LUKU Means?

a) Yes

b) No

c) Not aware

1.6   How satisfied are you with the LUKU service

a) Very satisfied

b) Satisfied

c) Dissatisfied

d) Not sure

SECTION B:

2.1   Do you consider the following to be the indicators of LUKU service

satisfaction? (Tick all applicable)

No.	INDICATORS	TICK
1.	Price	
2.	Timeliness	
3.	Service Reliability	
4.	Responsiveness	
5.	Empathy	

2.2   Indicate level of satisfaction with regard to the following LUKU service satisfaction indicators

(i)   Price - the value of the service

a)   Very satisfied

b)   Satisfied

c)   Dissatisfied

d)   Not sure

(ii)   Timeliness – Ability to deliver service timely

a)   Very satisfied

b)   Satisfied

c)   Dissatisfied

d)   Not sure

(iii)   Service reliability – Provision of promised services dependantly and accurately

a)   Very satisfied

b)   Satisfied

c)   Dissatisfied

d)   Not sure

(iv)   Responsiveness – Reaction in terms of emergency

a)   Very satisfied

b)   Satisfied

c)   Dissatisfied

d)   Not sure

(v)   Empathy – Capacity of staff understanding the customers condition from their perspective

a)   Very satisfied

b)   Satisfied

c)   Dissatisfied

d)   Not sure

2.3 If you are not satisfied with the LUKU service quality, What are the reasons for your dissatisfaction?

a)   ……………………………………………………………………

b)   ……………………………………………………………………

c)   ……………………………………………………………………

2.4 What do you think are the challenges towards ensuring customer satisfaction?

a)   ……………………………………………………………………

b)   …………………………………………………………………...

c)   ……………………………………………………………………

d)   ……………………………………………………………………

2.5 How can these challenges be dealt with by TANESCO to enhance customer satisfaction for the performance of the LUKU service?

a) …………………………………………………………………

b) …………………………………………………………………

c) …………………………………………………………………

d) …………………………………………………………………

e) …………………………………………………………………

MASWALI YA UTAFITI

Ndugu Mhojiwa,

YAH: **Maswali kuhusu kiwango cha Ubora wa Huduma za LUKU na Kuridhika kwa Wateja.**

Lengo la utafiti huu ni kukusanya taarifa kuhusiana na ubora wa huduma za LUKU na kuridhika kwa wateja ili kuweza kufahamu viwango vya sasa vya ubora wa huduma na kuridhika kwa wateja na kupendekeza hatua za maboresho. Unaombwa kujibu maswali yafuatayo kwa uhuru na kwa ufahamu wako. Majibu yako yatasaidia kuchangia katika mafanikio ya utafiti huu ambapo matokeo yake yana nia ya kuimarisha ubora wa huduma za LUKU na kuridhisha wateja. Mtafiti anataka kukuhakikishia usiri wa utambulisho na taarifa na kwamba taarifa zote zitakazopatikana zitatumika kwa lengo la utafiti na si vinginevyo.

Utafiti huu unafanyika kama sehemu ya kutimiza matakwa ya Shahada ya Uzamili ya Usimamizi wa Miradi. Kwahiyo taarifa zote zitakazokusanywa zitashughulikiwa kwa lengo la taaluma tu na si vinginevyo.

SEHEMU A: Maelezo kwa Ujumla ya mhojiwa

    1.1. Jinsia: Kike {   }   Kiume {   } jibu pale inapobidi.

    1.2. Umri: i. Chini ya 20 {   } ii. 21-40 {   } iii. 41-60 {   } iv. 61+

    1.3. Kiwango cha elimu. i. Msingi {   } ii. Sekondari {   } iii. Elimu ya juu {   }

    1.4. Kazi: i. Mkulima {   } ii. Mtumishi wa Umma {   } iii. Mfanyabiashara {   }

        iv. Umejiajiri {   } v. Nyingine tofauti (Weka bayana)

        ………………………………………………….

1.5. Je, unaelewa LUKU ni nini?

    a) Ndiyo

    b) Hapana

    c) Sina uhakika

1.6 Ni jinsi gani unaridhishwa na huduma za Luku

    a) Naridhishwa

    b) naridhishwa kiasi

    c) Siridhishwi

    d) Sina uhakika

    e)

SEHEMU B:

2.1 Je unadhani mambo yafuatayo kuwa ni viashiria vya ubora wa huduma za

    LUKU? (weka alama ya vema pale inapobidi)

Na.	VIASHIRIA	VEMA
1.	Bei	
2.	Utoaji huduma kwa wakati	
3.	Upatikanaji wa mtandao	
4.	Muitikio wakati wa dharura	
5.	Uwezo wa kuelewa matatizo ya wateja	

2.2 Ni kwa kiwango gani unaridhika na ubora wa huduma kwa kuzingatia viashiria

    vifuatavyo vya ubora wa huduma za LUKU.

    (i) Bei – Thamani ya huduma

        a) Naridhishwa

b) Naridhishwa kiasi

c) Siridhishwi

d) Sina uhakika

(ii) Uwezo wa kutoa huduma kwa wakati

a) Naridhishwa

b) Naridhishwa kiasi

c) Siridhishwi

d) Sina uhakika

(iii) Kutegemea huduma - Uthabiti wa ufanyaji kazi wa huduma kwa usahihi

a) Naridhishwa

b) Naridhishwa kiasi

c) Siridhishwi

d) Siridhishwi

(iv) Mwitikio – Majibu wakati wa dharura

a) Naridhishwa

b) Naridhishwa

c) Siridhishwi

d) Sina uhakiki

(v) Uelewa – Uwezo wa kuelewa matatizo ya wateja.

a) Naridhishwa

b) Naridhishwa kiasi

c) Siridhishwi

d) Sina uhakika

2.1 Kama huridhishwi na ubora wa huduma za LUKU, nini sababu za

kutokuridhishwa kwako?

a) …………………………………………………………………………

b) ………………………………………………………………………..

c) ………………………………………………………………………..

2.2 Unafikiri ni changamoto gani zinazojitokeza kwa TANESCO katika kuridhisha

wateja wa huduma ya LUKU?

a) …………………………………………………………………………

b) …………………………………………………………………………

c) …………………………………………………………………………

d) …………………………………………………………………………

2.3 Ni kwa jinsi gani changamoto hizi zinaweza kushughulikiwa na TANESCO ili

kuboresha huduma na kuridhisha wateja wa LUKU?

a) …………………………………………………………………………

b) …………………………………………………………………………

c) …………………………………………………………………………

d) …………………………………………………………………………