

**ASSESSMENT OF SERVICE QUALITY CHALLENGES FACED BY PAY
TV OPERATORS IN TANZANIA: THE CASE OF STAR MEDIA (T)
LIMITED, ARUSHA BRANCH**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION OF THE OPEN UNIVERSITY OF TANZANIA**

2015

CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation titled: **Assessment of Challenges on Service Quality Delivery at Star Media Tanzania Limited: A Case of Arusha Branch, Tanzania**, in partial fulfilment of the requirements for the degree of Master of Business Administration of the Open University of Tanzania.



.....

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(Supervisor)

.....

Date

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DECLARATION

I, **Denis Temaungi**, do hereby declare that this dissertation is my own original work and that it has not been submitted for a similar degree in any other University other than the Open University of Tanzania.

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Signature

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Date

DEDICATION

This study is dedicated to my parents, lovely wife Hilda, and daughter Joan, sisters and brothers whose love and support in my life cannot be measured by anything except heart.

ACKNOWLEDGEMENT

The successful completion of this research work was made possible through the valuable support and help of family members, friend, various experts and experienced people. These people deserve a special mention to acknowledge their support. But first, I would like to God The Almighty whom without His power my research work might have been in vain.

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ABSTRACT

The service companies in Tanzania are facing increasing challenges to provide quality services to their customers especially in the pay TV service sector and it was conducted at the Arusha Branch of Star Media Tanzania Limited (StarTimes). Customer satisfaction may establish the success or cause company's poor performance. In order to be competitive in the pay TV industry, operators need to provide quality services to satisfy their customers and hence achieve high market share and financial returns. This study assessed the challenges faced by pay TV operators in Tanzania when striving to provide quality services to customers. The research design used for the study was descriptive case study. The stratification sampling approach was used to select customers who filled in questionnaires while purposive sampling was used to select StarTimes staff and customers who participated in interviews. Data collection was done through the use of observation, Questionnaire, interviews, and documentary reviews and data were analyzed using SPSS and Microsoft Excel. The study found that customers rated StarTimes' services as generally not up to the expected satisfaction levels. The study further indicated that StarTimes is failing on the SERVQUAL model dimensions and highlighted that the company ignores the need to provide its services that meet service quality characteristics such as reliability, responsiveness, tangibility, empathy and assurance. The study recommends that paid television services providers have to improve performance on all the dimensions of service quality in order to increase customer satisfaction since consumers expect more than what they are offering. This will enable them maintain high level of competitiveness and achieve successful business performance.

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LIST OF ABBREVIATIONS

ARPU	Average Revenue Per User
BSR	Bayesian Structural Regression
CMMB	Convergent Mobile Multimedia Broadcasting
DSTV	Digital Satellite Television
SERVQUAL	Service Quality Model
SPSS	Statistical Package for Social Sciences
TV	Television

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Service businesses are expected to meet certain quality requirements by their customers irrespective of the nature of business. Actually, Reichheld and Sasser (1990) argue that the growth and survival of companies depend on their customers, which pay TV sector is no exception. This includes Star Media Tanzania Limited operating under the brand names “StarTimes,” which is one of the pay television (TV) operators in Tanzania. Delivering quality services is all about capability, processes and procedures that simply enable projects and services to be delivered according to a particular standard and with consistency. Customers need to appreciate what is being delivered. Wolfinbarger (2002) argues that marketing services internationally requires that companies become familiar with consumer attitudes in different service settings across different cultures. And this has aroused interest of businesses, governments and other organizations on the delivery of quality services. Even researchers have been motivated to conduct much more studies on this subject area (Atherton, Mbekem and Nyalusi, 1999). The key outcome of delivery of quality services is customer satisfaction.

According to Ferrari and Salini (2008), it is generally accepted that customer satisfaction, like every subjective attitude, is a complex concept that cannot be directly observed but should instead be measured using other observed variables, which are connected to different aspects and to the level of satisfaction itself. Quality services is one of the very important area that organisation has to look on and always

strive to make it improve day by day; owing the fact that from the way their services are offered, that is how they can retain customers and enable them to pass positive feedback about the business to others. The principle objective of an organisation is to maximize profits and to minimize cost, and one of the factors that can increase sales is service quality delivery.

Notwithstanding, continuous assessment of the services offered to customers is very vital for the success of the organisational survival though the assessment can have the clear picture whether the organisation does provide the quality services to its customer or not and what should be done to rectify the situation. Furthermore offering the quality services to customers, organisation can easily increase its client base, sales, profit and to create the good image of organisation.

Managers in the service sector are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. Given the financial and resource constraints under which service organisations must manage, it is essential that customer expectations are properly understood and measured and that, from the customers' perspective, any gaps in service quality are identified. This information then assists managers in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on.

Customers became very vital in the business during the marketing era of the 1950s when companies could produce what they can sell and not just selling what they can produce as it was during the production era. Armano (2009) observes that since the

beginning of the consumption era in marketing, the focus on customers has increased more as the consumption era shifted to post-consumption; where organisations morally provide more services in addition to what is offered to their customers. New developments in service delivery started to emerge, changing the landscape for marketing of service businesses.

The early pioneers of services marketing in Europe, especially the Nordic School, argues that service quality consists of two or three underlying dimensions; (i) physical and interactive quality, (ii) technical dimension, (iii) a functional dimension, and the firm's image. Further studies, however, came up with empirical evidence from five service industries, which suggested that five dimensions more appropriately capture the perceived service quality construct. Parasuraman *et al.* (1988) developed a service quality measurement instrument dubbed as SERVQUAL to measure perceived service quality. This service quality measurement instrument can be used in different types of service businesses including television broadcasting service business conducted by Star Media (Tanzania) Limited, which operates under the brand name "StarTimes."

While there have been efforts to study service quality, no general agreement on the measurement of the concept has been reached. The majority of the work to date has attempted to use the Parasuraman *et al.* (1988)'s SERVQUAL methodology in an effort to measure service quality (e.g. Brooks *et al.*, 1999; Chaston, 1994; Edvardsson *et al.*, 1997; Lings and Brooks, 1998; Reynoso and Moore, 1995; Young and Varble, 1997; Sahney *et al.*, 2004). With a focus on StarTimes' television services business, the aim of this study is to assess the challenges of offering quality services with

respect to the prioritized service quality dimensions and their affections on increasing or decreasing service quality gaps. The study uses StarTimes' Arusha Branch as a case in point.

1.2 Statement of the Problem

The quality of services has basically received little consideration in many African countries (Adindu, 2010), especially companies engaged in pay TV services business. In its broad sense, there is no vigorous, standardized set of indicators to measure the quality of services as experienced by customers in Africa to date. Existing indicators tend to be fragmented and focus either on final outcomes or inputs, rather than on the essential systems that help produce the outcomes or make use of the inputs (Svensson et al. 2011). Service quality has been receiving much celebrity of late due to its obvious relationship to costs, financial performance, customer satisfaction and customer retention. Service quality oriented organisations focus on establishing customer perceptions of service quality and afterwards inventing tools and strategies to deliver the same. Therefore, the pay TV providers need to understand the attributes that customer use to judge service quality and enhance service quality.

Despite delivery of quality services being one of the greatest instruments which contribute to the customer satisfaction, many companies in Tanzania and particularly in the pay TV services sector face challenges on delivering quality services consistently. The dynamic competition in the pay TV services market in Tanzania calls for even effective quality service delivery by companies like StarTimes. With now a vast range of choices for pay TV services that have competitive rates,

StarTimes' customers will constantly prefer products or services that give them maximum satisfaction based on the quality service provided by the company. This seems to pose an overarching challenge to StarTimes, especially on its services delivery in Arusha region. This study uses the SERVQUAL to measure StarTimes service delivery to customers through its Arusha branch, and assesses the challenges experienced by the company in delivering the services.

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study is to assess the challenges that StarTimes face in delivering quality services through its Arusha branch. The study determines the extent of the quality services provided by the company.

1.3.2 Specific Objectives

The following were the specific objectives of the study:

- (a) To identify the reasons for the poor services offering at StarTimes through its Arusha Branch.
- (b) To identify areas of service improvement by StarTimes at Arusha Branch.
- (c) To examine level of customer dissatisfaction towards services offered by the company.

1.4 Research Questions

The following research questions are raised to assess the challenges of quality service delivery using Service Quality Model (SERVQUAL) information and its dimensions:

- (a) What are the reasons behind the poor service offering by StarTimes at the Arusha Branch?
- (b) Which are the areas of service improvement that StarTimes needs to work on at the Arusha Branch?
- (c) What is the level of customer dissatisfaction towards service offered by the StarTimes?

1.5 Significance of the Study

The significance of this study can be seen in different perspectives. First, the findings of the study offers insights to management of the company on how to deliver quality services to its customers and achieve customer satisfaction, which in the end will improve sales volume and business performance. The study also provides the management of StarTimes and other companies essential tools for measuring service quality to see whether they are meeting customers' expectations or not.

The management and staff of pay TV operators in Tanzania can use the findings of this study to realize the reasons why they fail to attract and retain subscribers due to service quality standards and ultimately take corrective actions, alter some of the policies that contribute to the cause of poor quality services hence improve their services leading to improved performance. The will understand the importance of service quality in the pay TV sector in the country, and how it helps achieve quality customer satisfaction and also methods of improving service quality.

Furthermore, the study shows the way forward for other studies that can be conducted in this area. It provides suggested areas for future possible research by

other researchers in order to expand the growing research field of pay TV services and the general television broadcasting service quality in Tanzania and customer behavior that determine purchase decisions for TV services in the country.

1.6 Limitations of the Study

The study was conducted in the midst of several limitations, which had to be managed to successfully complete it and achieve its objectives. First and foremost, data availability and accessibility was a great challenge. The study required some data that was treated as highly confidential hence it was very hard to get them for research purposes. The company had to review most of the data before give it out for the study, a limitation which may have an impact on the interpretation. However, interviews with staff and customers covered this weakness in the edited data provided by the company. As the researcher conducted the study while working, time was a critical limitation. Some of the research activities were conducted deep in the evening and over the weekends in order to overcome this limitation and finish the study on time.

1.7 Delimitation of the Study

The study based is based on the assessment of the challenges facing the Arusha Branch of StarTimes in offering its services to its customers. The assessment focussed on the quality of services and therefore conducted a measure of these services to see how the company offers its services and if its meet customers' expectations. The analysis is restricted to the customers as services receivers. The literature is limited to those assessing service quality, customer perceptions and expectations of services using the SERVQUAL model to measure service quality.

1.8 Organization of the Study

This study consists of five chapters. The first chapter is made up of the background of the study, statement of the problem, objectives of the study, research questions, significance of the study, definitions of terms and conceptual framework. The second chapter consists of theoretical and empirical literature review. The third chapter covers the methodology of the study. Fourth chapter covers the presentation of findings of the study and discussions while chapter five focusses on summary of findings, conclusion, and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The aim of this section is to discuss studies and other works relevant to understanding this study and to provide the conceptual framework of the study with a focus on the quality of services of pay TV service providers. Television (TV) has become an important media to convey information and providing cheap entertainment for people. Through television, poor and rich people receive equal treatment in enjoying TV entertainment despite differences in the size of the TV sets or places of watching TV areas. Viewer satisfaction is important for pay TV operators and it is also highly related with service quality (Busterna, 1998). As service quality improves, the possibility of viewer satisfaction increases. The chapter begins with a review of definitions and key concepts. It provides and analyses the conceptual framework and the Gap analysis together with the study model.

2.2 Key Concepts in Service Business

2.2.1 Defining a Service

According to Hsu et al. (2002), a service is an activity or series of activities of a more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and or systems of the service provider, which are provided as solutions to customer problems. Kotler and Keller (2009) explain that a service can be any intangible act or performance that one party offers to another that does not result in the ownership of anything. For a firm to

offer and reach the customers, there must be a need for services, and these services should depend on the type of the product. Services comprise of four unique characteristics, which provide a big challenge to all service oriented organizations. Mbura (2004) identifies these characteristics as:

- (i) Intangibility that is, the service cannot be seen, tested, felt or smelt before purchase.
- (ii) Inseparability that is, services cannot be separated from the providers and are consumed at the time of purchase.
- (iii) Variability that is, the quality of services is not uniform, as it varies from one service provider to another, and it depends on when, where and how the service is offered.
- (iv) Services are perishable that is, the service cannot be stored for future sale or use.

Many pay TV firms are measuring viewer satisfaction and the factors which help shaping it. In relation with service quality, viewer satisfaction is another important key for service companies. Krüger and Zapf-Schramm (2001) found in terms of viewer satisfaction, that a viewer will tend to be satisfied with the service and the service provider. If acceptable quality range is provided within a service, the service provide achieves high customer satisfaction levels.

2.2.2 Quality of a Service or Product

Every company strives to offer and provide quality products and/or services. Customers' decision to purchase or use a product or service is determined by the

quality of what is being sold. Quality is a standard of something as measured against other things of a similar kind. According to Kotler et al. (2002), quality can also be stated as the totality of features and characteristics of a product or services that bear on its ability to satisfy the stated or implied needs. It is also clear that, quality is related to the worth of an offer which could recall satisfaction or dissatisfaction on the part of the user. Solomon (2009) noted that quality is one of the things that customers look for in an offer. Thus, quality can attract customers to television broadcasting services offered by StarTimes in Tanzania.

2.2.3 Delivering Quality Pay TV Services

Pay TV services involves the distribution of audio and video signal which transmit program to an audience may be the general public or a relatively large sub-audience, such as children or young adults (Omachonu et al., 2008). There are different varieties of TV broadcasting systems, all of which have different capabilities. The way these services are offered to customers can determine the quality of the services. Delivery of the services is thus critical to the quality thereof. Gronroos (1982) clarifies that quality service is the customers' comparison between service expectations and service performance. Practically, service quality responds to such questions as: (i) Is the service delivered to customers' expectation or different from what is expected? (ii) Was the service received almost what expected, better or worse than expected? Service quality is a measure of how well the service delivery level matches customer expectations.

Lewis and Boom (1983) explain that delivering quality service means following customer expectations on a consistent basis. Parasuraman (1988) adds that service

quality is the difference between customer expectations and perceptions of the service. He further argues that, measuring service quality is the identification of the difference between perceived and expected service in a valid way that could make management identify gaps to what they offer.

The purpose of providing quality service is to satisfy customers. Measuring service quality is a better way to determine whether the services are good or bad, and whether customers will be satisfied or are satisfied with it. In his study, Haywood (1988) reports three components of service quality, which he names “the 3Ps of service quality”. In the study, service quality was described as encompassing three elements, which are:

- (i) Physical facilities, processes and procedures;
- (ii) Personal behaviour on the part of serving staff; and
- (iii) Professional judgement on the part of serving staff.

A service company must achieve a suitable carefully balanced mix of these three elements. However, Haywood (1988) argues that what composes an appropriate mix will be determined by the relative degree of labour power, service process customization, and contact and interaction between the customer and service process. One of the most useful measurements of service quality is the dimensions from the SERVQUAL Model. The SERVQUAL scale, which is also known as a gap model by Parasuraman et al. (1988), has been recognized to be one of the best ways to measure the quality of the services provided to customers. This service evaluation method has been proven consistent and reliable by some authors (Brown et al.,

1993). In the design of this model, Parasuraman et al. (1988) presented ten dimensions of service quality, but further studies resulted into some of these ten dimensions being correlated and reduced to five dimensions as shown in Table 2.1.

Table 2.1: Dimensions of Service Quality

Service Dimension	Description of the Service Dimension
Tangibility	Physical facilities, equipment and appearance personnel.
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	willingness to help customers and to provide prompt service
Assurance	knowledge and courtesy of employees and their ability to inspire trust and confidence
Empathy	Caring individualized attention the firm provides to its customer.

Source: Parasuraman et al., (1988)

2.3 Forms of Service Quality

Gronroos (1984) and Parasuraman et al., (1985, 1988) have contributed to the discussion of the factors that constitute service quality. The common factors include process, outcome, physical environment and facilities, interaction between the customer and service provider, and the corporate image of the company providing the services. Process or functional quality refers to the quality of the process and procedures in producing and delivering the service to the customer. Process quality is usually judged by customers while the service is being performed. Harrison (2000) adds that in financial services context, the process may refer to any mechanical or

technical aspects of process or service delivery or any connections with employees and the manner in which they conduct themselves.

Output quality or technical quality is judged after the service has been performed. The output is what the customer receives from the service organisation, or what the customer is left with after interactions have ended. Physical quality is the products or support features of the products and services. In television broadcasting services, physical facilities such as the TV, decoders and antennas provide the physical dimensions used to evaluate quality of service. If StarTimes services are disconnected, customers first take a look at the decoder and the TV set to identify the technical problem associated with the service cut off. How simple or easy it is for customers to identify the problem or link up with StarTimes' staffs determines the physical quality of the company's services.

Interactive quality refers to the interactions between the customer and service provider. Interactions may take place in firms' branches, face to face or by remote means, such as telephone or internet contact. Whichever form the interactions takes service companies need to ensure that they communicate effectively with their customers. Corporate quality is the general image and perceptions of the organisation. The perceptions of the general quality of the organisation are expected to be based on all of the above factors.

2.4 Why Firms Offer Poor Services

Although service standards bring into the employee's day-to-day service focus to a customer, studies show that there is no single standard for service quality. The lack

of this distresses customer expectations to a greater extent. As a result, many companies fail to consistently and continuously maintain their service quality. This drains the trustworthiness and importance of the services, deteriorates workers' consciousness and so forth. Some issues that cause poor service delivery include labour force shortfalls, poor employee job fit, poor technology and unsuitable supervisory control systems. Curry (1999) identifies lack of marketing research as another major cause of poor service offering as well as poor staff orientation, insufficient upward communication and too many layers of management. Equally there are such issues like inadequate communication and poor reinforcement standards, media advertising and other communications by a firm (Parasuranam, 1982).

Also promising more than can be delivered raises early expectations, and lowers perceptions of quality when the promises are not fulfilled. Inadequate facilities and unskilled personnel, poor appearance of physical facilities and physical representations of the service affects the physical evidence of the services. Unskilled personnel and tools or equipment used to provide the service as well as communication materials also are the reason for the poor service offering within a firm.

The inability of the firm to perform the promised service consistently and precisely is another key cause for the poor service delivery. Leonard (1990) argues that lack of trust among employees, unfamiliarity of employees to the working environment, working tools and working procedures and their inability to convey trusted confidence can result into poor service delivery. Defining the service role is an

important step, but it won't get a company very far unless the company has personnel with the attitude, ability, and flexibility to fulfil the role. A study by Berry et al., (1990) indicates that two of the principal causes of poor service quality are placing the wrong people in the service role and giving employees too little control over the service. To resolve these service delivery challenges, the management may contact employees who believe their units are not meeting service standards.

2.5 Firms Can Improve Service Delivery

For their continued survival, service firms are expected to improve service delivery and restore customers' expectations. The need for the firms' management commitment to improving service quality is inevitable. Hetherington (2005) argues that the way employees treat customers will directly reflect the management's commitment towards a customer care program. Firms should employ business culture that focuses on delivery of quality services to customers, and this culture should be addressed from senior management to the lowest level of employees.

Clegg (2000) suggests that there needs to be senior management commitment towards the frontline employees who need to be motivated to ensure a caring attitude towards customers, which creates a pleasant experience for the customer. Whether frontline employees are located in the organization's own offices or in a call centre, Rosenblatt and Peters in Kotler (2000) suggest that businesses should give a higher priority to their employees than their customers as good employee relations will result in good customer relations.

Armstrong (2002) advises the management of a service company to empower employees to make important decisions and encourage their involvement and

contributions in order to improve delivery of quality services. Armstrong (2002) further adds that as committing to a customer care program challenges all employees within the organization, all levels of managers need to show their own commitment to reinforce the program and to demonstrate how important the program and the customer are to the business. Employers should be urged to be great at conflict resolution, encouraging customers to complain and make it easy for them to do so.

Parasuraman et al. (1990) argue that managers who want to improve problem-resolution service must overcome the common customer perception that companies do not really care when things go wrong. Comment cards available in service delivery facilities and toll free telephone numbers merely scratch the surface of what is possible. Managers are encouraged to go for reliability because service reliability is the heart of excellent service, and outstanding service reliability is the foundation on which to build a reputation for outstanding service quality. Breaking the service promise is the single most important way service companies fail their customers.

When a firm is careless in performing the service, when it makes mistakes, when it does not do what it said it would do, customers lose confidence in the firm's reliability; they lose confidence in the firm's wherewithal to do what it promises to do dependably and accurately. Valerie et al. (1990) emphasize that service reliability is central to most customers. Allocating timely personal communications with customers is a key part of the strategy. Valerie et al. (1990) observed that companies frequently make two mistakes in problem resolution: they take too long to respond to customers, and they respond impersonally. Timely, personal communication with unhappy customers offers a firm the best chance to regain the customer's good turn.

Bennett et al. (1990) argues that silence is not golden when a problem exists and the customer is waiting to hear. Service employees need specific training about how to deal with unsatisfied customers and how to help customers solve service problems. Delivering excellent service is a winning strategy. As Leonard (1990) puts it, quality service sustains customers' confidence and is essential for a competitive advantage.

2.6 Levels of Customer Dissatisfaction

Customer dissatisfaction is a direct result of not meeting the customers' expectations by the service providers. It should be noted that the levels of dissatisfaction is not the same for all products and services even if they are equally poor on all features. Likewise, the extent of dissatisfaction is not the same for the same product or service under different conditions and at different points in time. Dissatisfaction is individual and reliant on supposed performance and anticipations of the customer towards the service provider and if the products or services don't meet the customers' expectations then dissatisfaction exists. LeBoeuf (2000) outlines the expected levels of the customer's dissatisfaction, and these include:

- (i) Failure to meet the client's expectations;
- (ii) The failure in surpassing the customers 'expectations in which failure to impress the business user can lead to them seeking better products and services elsewhere;
- (iii) Failure to achieve the clients' goals and objectives;
- (iv) Applying old fashioned technology and infrastructure;
- (v) Perception of inequity or unfairness when the customer feels to be treated low comparing with other customers.

A company with the intent to achieve customer satisfaction will evaluate its service delivery to identify if the satisfaction levels among its customers. Any extent of customer dissatisfaction will have to be resolved by devising customer focused service delivery strategies that improves its quality of services to achieve customer satisfaction.

2.7 Quality Service Delivery: A Theoretical Framework

Baker and Taylor (1994) observed that service quality and customer satisfaction are broadly acknowledged as key stimuli in the formation of consumers' purchase intentions in service environments. Bloise and Tankersley (2004) argued that while market theorists have devoted a great deal of efforts to the conceptualization of service quality, the practical guidance available to service providers continues to be very limited. Grönroos (1984) concludes that quality dimensions are interrelated and that the importance of image should be recognised.

He suggests developing a service quality model, based on test of a sample of business executives, which describes how the quality of services is perceived by customers by looking its marketing repercussions, in which practical quality is seen to be a very significant measurement of a perceived service. Indeed, the theoretical frameworks for examining quality in the service sector are lacking in general. However, theorists have developed models and theories for services quality focusing primarily on manufacturing sector.

A balance theory by Heiders (1958) explains how service organization, service provider, and consumer interrelationships influence service quality. Balance theory is

applied to explain how service organization, service provider, and consumer interrelationships influence service quality. Proposals are existing relating to:

- (i) How and why positive or negative relationships among the parties in this triangle are developed, and
- (ii) The significances of these relationships on service quality, effective outcomes and withdrawal behaviours.

The important effect of service quality on performance and the relevance of the research are supported by the results of the research conducted by Lai (2004) by enrolling Hungarian based and owned medium companies. Managers held that the most useful performance indicators are: product and service quality, as well as customer satisfaction. Fornell (1992) asserts that exploring the correlation between the performance of companies and the quality perceived by the customer is an issue of highest priority. They presumed that increasing service quality would result in growing customer satisfaction and loyalty, thus decreasing expenses and eventually a better financial situation. Investigation of the service three-way relationship within this framework can enhance understanding of quality service delivery and guide future research efforts. A tool for measuring the quality of services has, however, been developed already. The SERVQUAL model has been depicted as vital tool for measuring service quality. The model was developed by Parasuraman et al (1985, 1988).

2.8 The SERVQUAL Model

Shahin (2010) has reported that the SERVQUAL instrument has been the predominant method used to measure customers' perceptions of service quality.

Iwaarden et al. (2003) describes the five generic dimensions or factors of this model, which are stated as follows:

- (a) *Tangibles*: Physical facilities, equipment and appearance of personnel in the service delivery process.
- (b) *Reliability*: Ability to perform the promised service dependably and accurately as per customers' expectations.
- (c) *Responsiveness*: Willingness to help customers and provide prompt service.
- (d) *Assurance*: This includes competence, courtesy, credibility and security. It requires knowledge and courtesy of employees and their ability to inspire trust and confidence.
- (e) *Empathy*: (including access, communication, understanding the customer). Caring and individualized attention that the firm provides to its customers.

Customer perception of service quality is a complex process. And Brady and Cronin (2001) have noted that multiple dimensions of service quality have been suggested. The SERVQUAL model suggests service quality dimensions that can be adopted in determining the quality service delivery. This model is based on the perception gap between the received service quality and the expected service quality, and has been widely adopted for explaining consumer perception of service quality. Originally, 10 dimensions of service quality were proposed. These were: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the consumer, and tangibles. Later, these were reduced to five, which are: reliability, responsiveness, empathy, assurances and tangibles. There is general agreement that the aforementioned constructs are important aspects of service quality, but many

scholars have been skeptical about whether these dimensions are applicable when evaluating service quality in other service industries (Finn and Lamb, 1991; Cronin and Taylor, 1992).

Cronin and Taylor (1992) argued that the evaluation of service quality based on the expectation-performance gap derived from Parasuraman et al (1985, 1988) is insufficient because much of the empirical research supported performance-based measures of service quality. This has more explanatory power than measures that are based on the gap between customer expectations and service performance. This is according to studies and findings by Babakus and Boller (1992), Babakus and Mangold (1992), and Churchill and Surprenant (1982) who suggest the need for another model that can take care of the weakness in the SERVQUAL model. In addition, Kang and James (2004) argued that SERVQUAL focuses more on the service delivery process than on other attributes of service, such as service-encounter outcomes, such as the technical dimensions. In other words, the SERVQUAL measurement does not adequately explain technical attributes of services.

Gronroos (1984) suggested two attributes of services which have been identified as dimensions of service quality based on the conceptualization of service quality as between perceived service and expected service. As an extension of Gronroos' model, Rust and Oliver (1994) provided a three-component model explaining service quality through service product, service delivery and service environment. And Brady and Cronin (2001) suggested three service quality dimension service outcome, consumer-employee interaction and service environment. The notion of service product/service outcome and service delivery/consumer-employee interaction is

consistent with the idea of technical attribute and functional attribute derived from Gronroos' model. The interrelationships of variables defining the antecedents and also the consequences of customer satisfaction have been studied extensively since last 25 years (Anderson and Sullivan, 1993; Churchill and Superannat, 1982; Cronin and Taylor 1992; Lepak, 1998; La Barbera and Mazursky, 1983; La Tour and Peat, 1979; Oliver and Bearden 1985; Oliver and De Sarbo, 1988; Westbrook 1981; and Yi, 1990).

The purpose of the present study is to present a Bayesian Structural Regression (BSR) paradigm for modelling service quality of banking services using the SERVQUAL model. Unlike previous research studies, this study uses adaptive structural methods to model the SERVQUAL items. These methods are based on conjugate Bayesian theory discussed by Dempster (1969) and made operational by Chen (1979) using the EM method (Dempster, Laird and Rubin, 1977). The Bayesian approach provides a mechanism for incorporating prior structural information in to covariate estimation. This information can be either vague or specific and is used only to the extent that it reflects worthwhile information and about the interrelationships among the variables as possible.

2.9 Service Quality and Service Experiences

The basic conceptualization of service quality has evolved significantly over the years. According to Bloise and Tankersley (2004), the service quality today is generally believed to be a multi level construct with multiple dimensions making up each level. Service quality has been defined in Bloise and Tankersley (2004) by Parasuraman et al (1988) as 'a consumer attitude reflecting the perceived overall

superiority and excellence in the process and outcome of a service provider (p. 77). While this understanding seems to be forthright in shaping the process by which such approaches are formed, it has proved to be difficult tasks. Customers understand service quality as the degree of difference between their expectations or desires and their perceptions.

The differences prevail along dimensions of reliability, responsiveness, assurance and empathy. Only the tangibles dimension such as appearance of physical facilities, equipment, personnel, and communication materials exceeds the customers' minimum acceptable service level, and this dimension is at all times viewed by customers as the second least important for measuring quality. On the other hand a service experience is understood as the service encounter and/or service process that creates the customer's reasoning, emotional and behavioural responses (Johansson and Clark, 2006). Customer experience has a strong impact on customers' quality perceptions.

According to Cronin (1992), organizations focus more and more on experiences to engage customers, to create and support brands and to differentiate themselves. Berry et al. (2002) observes that positive and unpromising customer experiences seem to be more and more important in forming service quality perceptions.

2.10 Customers' Expectations from Service Delivery

Customer expectations mainly tell what customers' desires out of the relationship with service providers, and what customers sense the service provider should offer. In case the service levels fall short of expectations, at that time it is clear that the

service is unsatisfactory although that cannot be translated that the entire level of service is low. Harrison (2000) advises that it is important to preserve promise to customers to gain their confidence on the service offered. Kotler (2000) shows that through past experience with the business, customer expectations are created.

However, Thompson, (2000) observes that while this ability to delight customers may be profitable in some industries, it may not be possible to achieve in other industries. And yet customers will put businesses under pressure to perform and meet their expectations. Anderson (2002) gives an additional feature of customer expectation, which is that customers can change frequently which makes it difficult for businesses to provide what the customer was expecting.

Corrigan (2004) maintains that customer expectations and buying behaviour repeatedly adjust the rules of competition. Hence, businesses that pursue innovation with regard to their products and services will be able to fulfil customer expectations and will, in turn, further contribute to the competition within their industry. As a result, businesses that acclimatize to the changing market place and innovate to meet customer expectations will become market leaders. Meanwhile, Thompson (2000) advises businesses need to monitor and recognize what their customers' value with respect to their needs and expectations.

2.11 Customers' Perceptions and The Gap Model

Smith (2000) explains that customer perceptions of service quality result from a comparison of their expectations before they receive their actual experience with the service. The gaps model of service quality was first developed by a group of authors

such as Parasuraman, Zeithaml and Berry (1985, 1988). Based on investigative studies of service such as executive interviews and focus groups in four different service businesses, the authors proposed a conceptual model of service quality indicating that consumers' perception toward a service quality depends on the four gaps existing in organization consumer environments.

They further developed in depth measurement scales for service quality in a later year (Parasuraman, Zeithaml and Berry, 1988). Perceived service quality can be defined as the difference between consumers' expectation and perceptions (Parasuraman, Zeithaml and Berry, 1985).

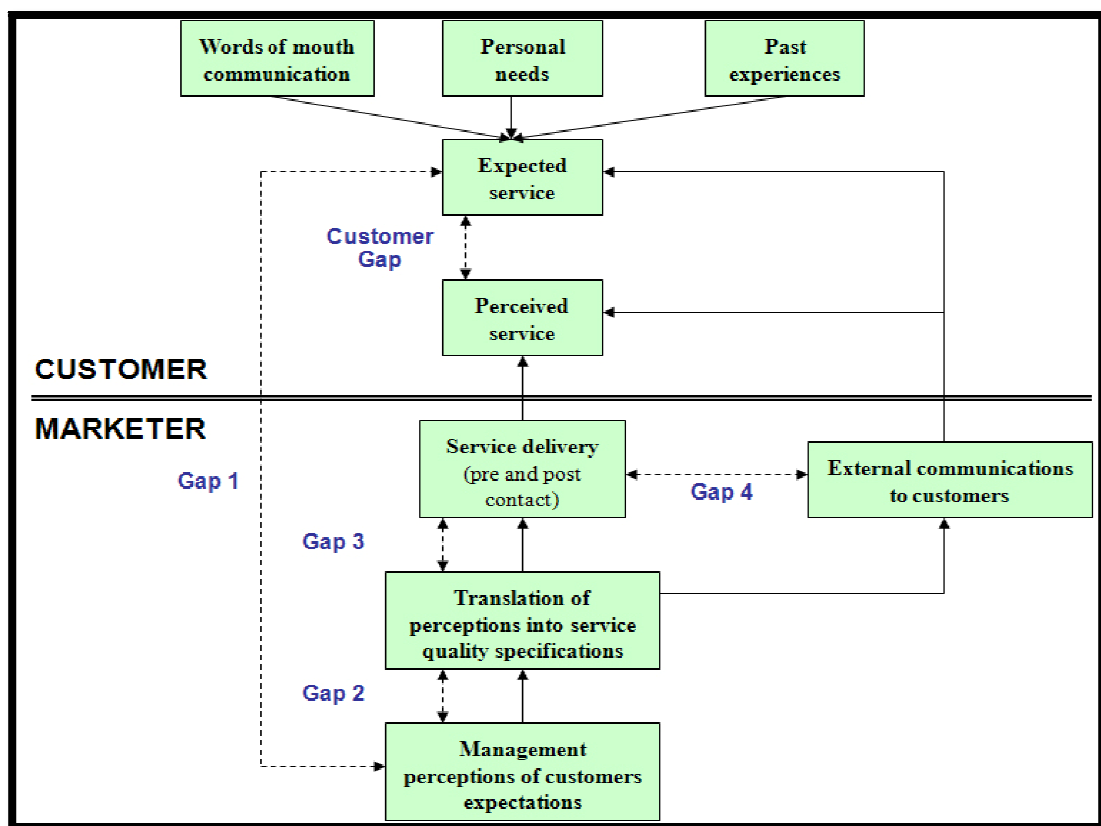


Figure 2.1: The Integrated Gaps Model of Service Quality

Source: Parasuraman et al (1985)

The magnitude and the direction of each gap will affect the service quality. For instance, Gap 3 will be favourable if the delivery of a service exceeds the standards of service required by the organization, and it will be unfavourable when the specifications of the service delivered are not met. Zenithal et al., (1985) developed a gaps model to analyze quality problems and help managers to understand the ways of improving service quality as it is represented above (Parasuraman et. al., 1988). Figure 2.1 indicates the Integrated Gaps Model of Service Quality.

2.11.1 The Gaps Model Theory

This is the most popular service quality model that has been embraced by both practitioners and academic researchers in drawing attention to issues regarding service quality. It is encompassed by identifying factors that impact service quality and where the systematic breakdowns or gaps might occur (Iacobucci et al, 1994). Despite its wide use, the model has also been criticized for its limitations of postulating only relative evaluations, with no consideration of an absolute level of the prior standards. Iacobucci et al. (1994) explains that the gaps model predicts that customers will evaluate a service favourably as long as their expectations are met or exceeded regardless of whether their prior expectations were high or low. In setting expectations of customer standards, the model has not considered differentiation of customer groups as well as different occasions or uses of the service provision (Bitner et al., 1990; Bargtze, 1992).

Again the model does not consider any financial factors, such as price, cost or value but limited in understanding and predicting consumer behaviour (Crosby and Stephens, 1987; Zeithaml, 1988; and Iacobucci et al., 1994). It is after these

criticisms that the model underwent several modifications to include the relationship between service quality and customer satisfaction, defining the expectation standards for both service quality and customer satisfaction, considering the concept of value in deriving customer satisfaction as well as introducing the idea of service quality as an attitude like the concept in the model. Further modifications have suggested the quality-satisfaction relationship at the transaction level and the impact they have on the global impressions about the firm. In order to understand the differences between customers' expectations and perceptions, there gaps are identified. These gaps are as explained as follows:

- (i) Gap 1 tells the difference between consumer expectations and management perceptions of consumer expectations. This gap emerges when the management's perception of the customer expectations was incorrect.
- (ii) Gap 2 clarifies the difference between management perceptions of consumer expectations and service quality specifications. The reasons for the gap are management commitment, internal quality programs, service design and perception of feasibility.
- (iii) Gap 3 states the difference between service quality specifications and the actual service delivered. The gap comes when the quality specifications laid down for the staff to follow were not met at the time of service production and delivery process. This can be due to problems in specifications, employees not fulfilling the roles, customers not fulfilling the roles, failure to match demand and supply, deficiencies in human resource policies and problem with service intermediaries.

- (iv) Gap 4 tells the difference between service delivery and what is communicated about the service to consumers. These gaps happen when there is a planning problem or lack of integrated services marketing communication, execution problem or ineffective management of customer expectations and over promising.
- (v) Gap 5 is the difference between expected service and perceived service by the consumer. When an experience is better than the customers' expectations there is positive disconfirmation of the expectations and customer contentment is foreseen. When an experience is not as good as what the customer had expected, there is negative disconfirmation of the expectation and disappointment is foreseen.

2.11.2 Applications of the Gaps Model

The gap model is applicable to management; service marketing and consumer behaviour. This model categorically views the services as a structured, integrated model which connects external customers to internal services between the different functions in a service organization.

The gap model of service quality gives insights and propositions regarding customers' perceptions of service quality. Customers always use 10 dimensions to form the expectations and perceptions of service quality. The model helps predict, generate and identify key factors that cause the gap to be unfavourable to the service firm in meeting customer expectations. The important applications of the model are as presented in Figure 2.2.

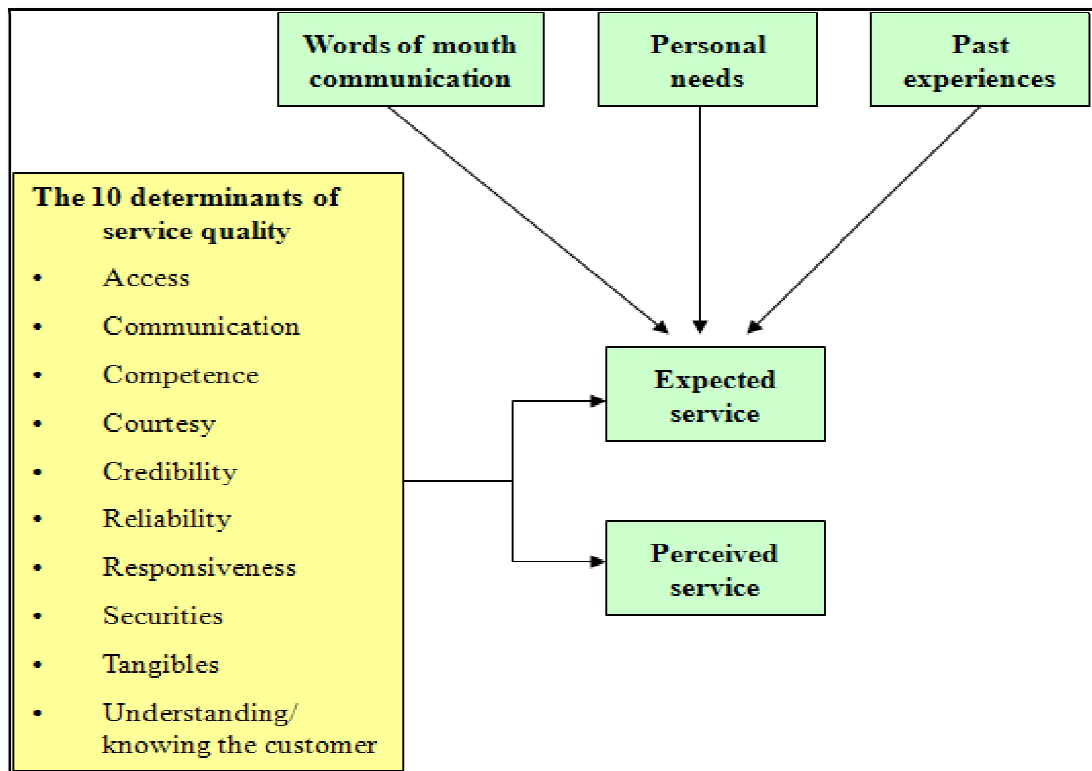


Figure 2.2: Determinants of Service Quality

Source: Parasuraman, et al (1985)

2.12 Advantages of Service Quality Improvement to Firms

Improvements in quality of services have many advantages including an increase in productivity. Armstrong (1995) explains that this occurs because costs are reduced as rework, mistakes, and delays in the process decrease due to quality improvement efforts. Harrison (2000) notes the benefits of improving service quality by arguing that reducing the mistakes and getting processes and procedures right the first time can lead to a dramatic reduction in the cost of corrective measures and compensation claims. Indeed a reduction in mistakes and an improvement in process and procedures can improve productivity and increase sales. If process and staff are working effectively and efficiently, more time is spent on selling products than correcting them.

Some studies have also indicated that improvements to service quality can increase staff morale. Staff satisfaction can be increased as result of dealing with satisfied customers and producing a quality service. Satisfied staffs are also more likely to become loyal and staying with the organization for longer. Reduction of staff turnover also results into reduced costs associated with staff recruitment and training of new staff. It is also likely that relationship between employees and their employer will be enhanced and better quality products and service, satisfied customers and employees contribute to the enhanced image of the organisation. Heightened corporate image has an impact on brand value. Service quality is commonly noted as a critical precondition and element of competitiveness for establishing and sustaining satisfying relationships with customers and in cementing the relationship between customers and the organization.

There are few studies that have substantiated the importance and impacts of the improvements in the service sector. Sureshchandar et al. (2002a) examined and came up with a positive understanding on service quality delivery. Robinson (1999) shows that the concept of total quality service has gained increased attention as the total quality service is often considered as having a long-range perspective, implying that organizations embracing total quality service can achieve the rewards of their quality improvement initiatives only after many years of labour and hard work.

In examining current literature, a lack of research on group service encounters is evident. In particular the influence of each individual's and other group members' contributions on the service experience is seems to be underrepresented in scholarly publications. Service quality studies despite having received considerable attention

from academics and practitioners alike (Hue et al., 2009) have largely and almost exclusively focused on perceptions of the individual customer and the role of the service employee. Parasuraman et al. (1990) proposes a conceptual framework which integrates the customers' activity during service co-creation by extending the technical and functional quality dimensions of employees as suggested by Gronroos (1983) to contribution of customers.

2.13 Empirical Studies on Challenges Regarding Quality Service Delivery

In an investigation conducted by Brysman and Curry (2001) in a catering service company, a total of 140 questionnaires were distributed to all of the previous year's customers and 52 useable questionnaires were returned, resulting in a 37 per cent response rate. All questionnaire responses were negative and an overall departmental weighted SERVQUAL score of - 1.6 was recorded, indicating a significant shortfall in meeting customer expectations across all service areas and dimensions.

The highest gap scores were for reliability and responsiveness; this is real cause for concern and provides a definite starting point for service improvements. As can be seen from the results, the customer expects most from the reliability dimension of the catering service. The relatively low importance of tangibles could be attributable to the fact that customers are aware of the financial constraints which are typical in the local authority funding context, and simply do not expect much when it comes to aesthetics; instead, they attach more importance to the delivery aspects of the service.

Customers allocated to assurance the lowest weighting, indicating it to be of least importance to them, yet they expect most from this service dimension. This apparent

anomaly is probably due to the fact that customers expect staff to be knowledgeable about the service and therefore they can see no reason for this dimension not to be achieved. Customers are very keen to employees' behaviour in services industry especially in the pay TV services sector.

It is assumed that for this reason, customers have weighted this dimension lowest. Tahir and Abu Bakar (2007) investigated service quality and customer satisfaction of pay TV operators by using SERVQUAL in Malaysia. They found that responsiveness is rated as the most important dimension of service quality. It was found that accurate communication, proper service delivery and effective conflict handling results into overall customer satisfaction regarding pay TV services in Malaysia (Nelson, 2006).

It is more probable for customers to be satisfied if the service performance meets (confirmation) or exceeds (positive disconfirmation) their expectations. On the contrary, customers are more likely to be dissatisfied if the service performance is less than what they expected (negative disconfirmation).

Khalifa and Liu (2003) discussed that taking expectation disconfirmation as the only determinant of satisfaction; this theory does not cause the fact that if high expectations are confirmed, it would much more lead to satisfaction than confirmation of low expectations. To resolve this drawback perceived performance is included as an additional determinant of satisfaction. In other words the only way to ensure satisfaction is to empirically create disconfirmation by manipulating expectations and performance.

2.13 The Conceptual Framework of the Study

Several business organizations are frequently in a pressure caused by the increasing competition from the different upcoming business organizations. Various strategies have been developed by the business entities for the main purpose of retaining customers. The key strategy for customer retention is improving quality of services or products. Parasuraman et al. (1985) recommend that the foundation strategy for the progress and continued existence of any business organization is to deliver quality services to customers. It is also recommended that the quality of services or products is an important determinant of customer satisfaction. The SERVQUAL model has been recommended as a helpful tool towards understanding the nature of the linkages between the experiences and consequences of quality services delivery.

The SERVQUAL model is based on the perception gap between the received service quality and the expected service quality. This model has been widely adopted for explaining customer perception of service quality. As discussed earlier, ten dimensions of service quality were proposed originally, which are reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the consumer, and tangibles. However, they were later reduced to the following five dimensions, which are reliability, responsiveness, empathy, assurances, and tangibles. These were then used to develop the conceptual framework of the study.

A conceptual framework is a diagrammatical research tool intended to assist the researcher to develop awareness and understanding of the situation under scrutiny and to communicate this (Kandampully, 2008). A conceptual framework is used in

research to outline possible courses of action or to present a preferred approach to an idea or thought. It can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation. As stated above, the service quality dimensions in the SERVQUAL model were used to develop the model.

Although the SERVQUAL model is important to measuring service quality, it is not sufficient on its own to convey customers' desires. George (2008) argues that the provision of quality service or production of quality products or services depends on company environment such as policies, the level of technology and participation of company employees to improve such services or through required level of customer care.

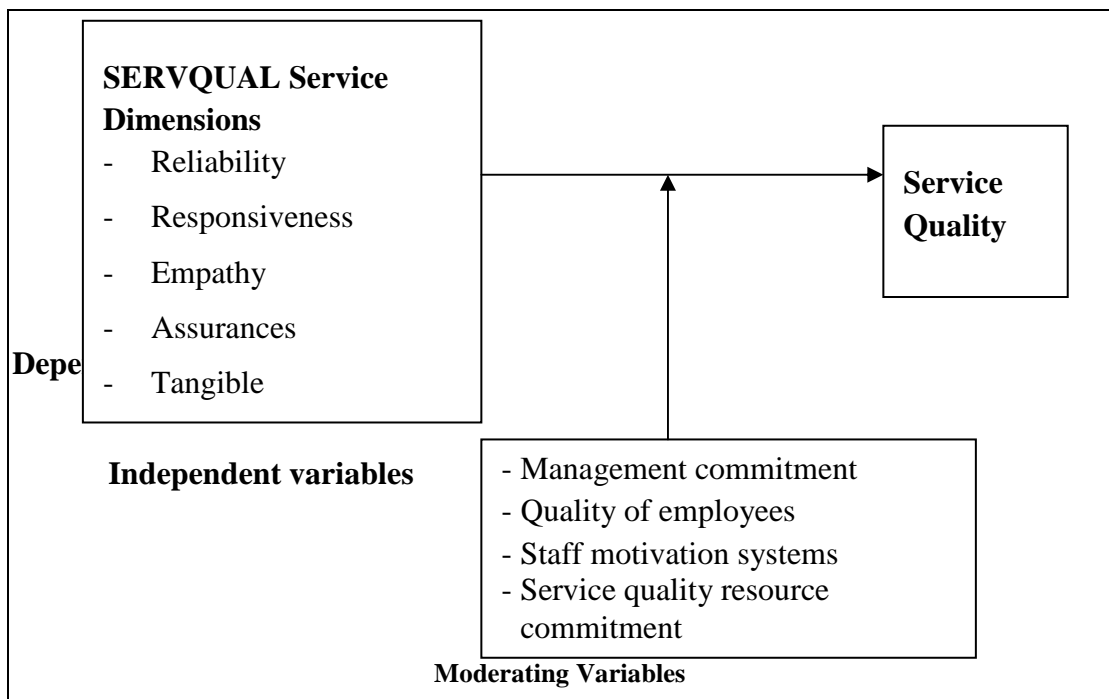


Figure 2.3: Conceptual Framework of the Study

Source: Developed by the Researcher (2014)

The application of SERVQUAL model and quality delivery services strategies leads to service quality delivery. The connection is presented in the following conceptual framework shown in Figure 2.3.

A dependent variable is what is measured in the experiment and what is affected during the experiment, it responds to the independent variable. The dependent variable in the study was service quality. An independent variable is one that is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis, but are taken simply as given. The independent variables in the study were: reliability, responsiveness, empathy, tangibility and assurance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The aim of this section is to explain the methods and procedures which were used to conduct the study. These methods include the description of the study area, a research design, as well as sample size and sampling frame of the study. The chapter also presents the data collection techniques used in the study as well as data analysis.

3.2 Research Design

The research design decision was critical for successful conduct of a study. Malhotra (1999) argues that good research design ensures that the research is conducted effectively and efficiently. The research design refers to the overall strategy that is chosen to integrate the different components of the study in a coherent and logical way, thereby to ensure that the research problem is effectively addressed. It constitutes the blueprint for the collection, measurement, and analysis of data (William, 2006).

The case study research design was used in the study because it covers only the StarTimes Company in Arusha. Case study research design is an in-depth study of a particular research problem rather than a comprehensive statistical survey. It is often used to narrow down a very broad field of research into one or few easily researchable examples (Kothari 2004). The case study research design is also useful for testing whether a specific theory and model actually applies to phenomena in the real world. The choice of the case study design for this research is also supported by

Johnson (1994), who argues that, unlike some other forms of research, case studies are particularly suitable for single-handed researchers.

3.3 Description of the Study Area

The study was conducted specifically in Arusha as the study area. Arusha Region is one of Tanzania's 30 administrative regions. Its capital and largest city is the Arusha City. Arusha Region had a population of 1,694,310 in 2012 (National Bureau of Statistics [NBS], 2012). The region is bordered by Kenya to the north, the Kilimanjaro Region to the east, the Manyara and Singida regions to the south, and the Mara and Simiyu regions to the west.

Arusha Region is a global tourist destination and is the centre of the northern Tanzania tourist circuit. Star Media (Tanzania) Limited operating under the StarTimes brand is one of the companies providing television broadcasting services in Arusha region. It has already attracted a large number of customers due to its affordable and range of services. However, among the many other regions in which StarTimes operates in Tanzania, customers in Arusha region have shown discontent over the services of the company despite their continued use of services. This necessitated the choice of Arusha branch of StarTimes as a case organization for the study.

StarTimes claims to be heavily committed to their main operation of running subscription television services in selected foreign markets in Africa. The company provides state-of-the-art digital television services including packages of up to 140 channels, and acquired over 7 million subscribers in Africa. StarTimes has registered

local companies in 16 African countries, including Nigeria, Kenya, Tanzania and Uganda, and carried out operation in 9 countries. StarTimes is now the most fast-growing and influential digital TV operator in the region with the goal of enabling every African family to afford, access and watch good digital TV, enjoy digital TV and build the firm into becoming Africa's most influential digital TV operator. In Tanzania StarTimes operates pay TV services by providing a variety of premium digital television programs, and a series of high quality digital TV terminal equipment.

The first phase of the construction covers four cities, (including Dar es Salaam, Dodoma, Arusha, and Mwanza) which have been completed in 2010. StarTimes intends to adopt the Convergent Mobile Multimedia Broadcasting (CMMB) technology as a mobile TV standard, which has a lot of features, such as carrying more channels, high quality image, clear and smooth picture, supporting different kinds of terminals, and economy. The digital broadcasting television sector is new in the county hence it is an area of interest for most researchers now in order to understand how the digital service are positively or negatively impacting on the services provision in the industry as compared to the previous analogue system.

3.4 Unit of the Study

Because the study focuses on understanding the quality services delivery, with specific interested in customer's satisfaction, the respondents selected were StarTimes customers only. This group is important to give their levels of satisfactions of the services offered by the company under study.

3.5 Sampling Frame, Sampling Techniques and Sample Size

The first step taken was to define the population of interest to this research (Borg, 1963), and the population of the study has been defined above. At the outset of the study, I decided on the sampling frame from which to draw the sample of respondents who are important to assessing the challenges facing StarTimes in the delivery of quality services in Arusha. Ghauri and Grønhaug (2005) describe a sample frame as a listing of units from which a researcher draws the actual sample.

A sampling frame includes a numerical identifier for each individual, plus other identifying information about characteristics of the individuals to aid in the analysis and allow for division into further frames for more in-depth analysis. Simple random sample were used in this study because is the basic sampling method assumed in statistical methods and computations. Yet, to collect a simple random sample each unit of targeted population was assigned a number. Using probability sampling, every individual customer got a chance to be selected, and 250 customers were selected. Customers' assigned random numbers 1 – 50, 250 clients were chosen to form the sample for the study (Babbie, 2001).

3.6 Data Collection Methods

This study has collected both primary data and secondary data to successfully achieve its objectives. The following sections describe and discuss how these data were collected using the identified methods.

3.6.1 Primary Data

Primary data are those first hand original data obtained directly from respondents (Kothari, 2004.) Primary data were gathered through administering questionnaires to

respondents and conducting interviews with staff and members of the management team of StarTimes Arusha branch, who were selected purposively. The data collected through questionnaires were subjected to analysis using the approached discussed in Section 3.9 below.

3.6.2 Secondary Data

The study also used secondary data, which is data that was collected, processed and analyzed for some other purpose other than the research at hand, which Saunders et al (2003) describe as the main difference between primary and secondary data. One of the reasons behind the decision to use secondary data is that it saves a lot of time and minimizes costs, which allows the researcher to be able to broaden the research topic than otherwise possible. As I was not able to collect all data for the study from primary sources due to time and cost, identified secondary data supplemented the primary data. However, the secondary data used in the dissertation were treated to suit the presentation in a way that supports the purpose of this study.

3.6.3 Data Collection Tools and Techniques

I used questionnaire survey, observation method and semi-structured interviews to collect primary data relevant for the study. How these methods were used is described below.

Questionnaire Survey

The questionnaires for collecting the primary data were developed after an in-depth literature review and therefore incorporated aspects from the reviewed literature. The questionnaires were designed as an adoption of the SERVQUAL design

(Parasuraman, 1991) but were modified to make the questionnaires suitable in the StarTimes environment in order to assess the challenges of quality service delivery by the customers. Questionnaire instrument for collecting data from customers was designed to capture their views on the quality services provided by StarTimes.

The questionnaires required StarTimes' customers to only answer according to the five dimensions of service quality model which are reliability, responsiveness, tangibility, assurance and empathy. Also the questionnaires required the respondents to rate the satisfaction level of the StarTimes service delivery according to their personal view and experiences. Five pre-defined levels of service quality measurement using 5-point Likert scale were used to rate satisfaction levels. The format of a typical 5-point Likert scale items include; (i). Strongly disagree, (ii.) Disagree, (iii) Neither agree nor disagree; iv) Agree; v) Strongly Agree (see Appendix 1: Research Questionnaire).

The use of questionnaires as data collection instruments in research studies like this one ensures that no bias reporting is experienced as the researcher is not present when the participant is filling in the questionnaire and therefore they were very free to answer the questions; questionnaires ensure anonymity of the respondents as findings are not linked to specific respondents; and the questionnaire format was standardized for all respondents.

To ensure high response rate, the researcher administered the questionnaires by delivering to selected respondents of the study. The researcher was always available to respondents to clarify issues in the questionnaires when necessary. Each

participant was asked to complete the questionnaire fully and return it to the researcher.

Observation

Observation method has been applied in the study because this method has enabled the researcher to observe the real situation and get a real picture of what is happening during service provision. At various points in time during the study, I visited StarTimes offices and observed how employees were providing services to customers. In the process, I was making notes of the service delivery processes and procedures which were then incorporated in the presentation and analysis of the findings of this study.

Semi-structured Interviews

To complement information obtained through questionnaires and the observation method, semi-structured interviews were held with some of the StarTimes employees and members of the management at the Arusha branch. The management team members and staff whose input was deemed very important to supplement the data collected through other techniques and sources were purposively selected for interviews. These staff included customer services manager, technical installations manager, branch manager and the cash office employees.

The researcher used the semi-structured interviews knowing that is useful to gain opinion from these informants. Among the many advantages of using semi-structured interviews, Burns (2000) argues that the informant is able to use their own perspective and the language natural to them rather than that of the researcher. Other

strengths of this type of interview are that all respondents are asked the same questions in the same order and interviewees are provided with the opportunity for personalization (Cohen et al, 2000). This allows for some degree of comparability in answers. During the conduct of the semi-structured interview the researcher used the following procedure:

- (i) Read the questions as they were written so that each respondent answered the exact same question.
- (ii) Probed inadequate responses non-directly by returning to the question and asking the interviewee to elaborate on his/her answer
- (iii) Record the answers without discretion. Everything the respondent says is recorded using a tape recorder.
- (iv) Avoid personal comment on any answer given by the respondent (Floyd, Fowler and Mangione, 1990).

To ensure high response rate and easy access to the respondents, the researcher conducted the interviews at the convenience of the interviewee. These were generally conducted at weekends and after working hours. As with the questionnaire, the interviewee was advised that answers are confidential and that he/she can proof read the transcription prior to use if he/she wishes.

3.7.2 Validity and reliability of data

As is advised for researchers to take a precaution in use of secondary data, it will be necessary to crosscheck and verify the reliability and validity of the secondary data to be used in the dissertation. Joppa (2000) defines reliability as the extent to which

results are consistent overtime and an accurate representation of the local population. Under this study will be referred as reliable and if the research of the study can be reproduced under a similar methodology, then the research investment would be considered to be reliable. Validity on the other hand determines whether the research study measures what is intended to measure, or in other words does the research instrument allows you to hit bull's eye of your research object.

Dochartaigh (2002) offers a guide on the use of secondary data as he argues that secondary data that has been collected from large, well-known organizations are likely to be trustworthy and therefore can be used in the study. The study used the secondary data that exclusively originates from StarTimes and either government entities or well-known service companies or newsletters, meetings and other well selected sources which have authority to publish trusted data as these can be considered to be reliable for use in the dissertation. The researcher generally determined validity by asking a series of questions and often linking for answers in researches concluded by others.

3.8 Data Analysis Methods

The design of the questionnaire was important as data collected were entered into Statistical Package for Social Sciences (SPSS) (Pallant, 2001). This package was used as it is designed for use in executing research and in the field of statistics. All data collected were analysed using SPSS. It was important that the questionnaire is prepared in a manner, which facilitated the analysis of the data. Therefore, it was necessary to decide what statistical tests were to be used on the data in advance of carrying out the in-person distribution of the questionnaires.

Items in the questionnaires were laid out to assist data entry. SPSS is a qualitative package, which allows the database to sort and arrange data in a logical manner and allows for ease of results. After completing the data collection exercise; the data were entered onto the SPSS as presented by respondents. To achieve desirable outcome of the data analysis, I engaged a statistician during the analysis of the data. The quantitative data obtained by analyzing the responses presented on the 5-point Likert scale were analysed by means of descriptive statistics using the SPSS. Findings from observation and documents are well analysed qualitatively and by use of words, numbers, percentages, and diagrams.

3.9 Ethical Considerations

Every research study has ethical constraints, which the researcher must consider. In any research where people are objects of the research, there are ethical considerations (Cohen *et al*, 2000). In this study, the researcher will observe all ethical considerations in undertaking the study.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the results of the data analysis and discusses the findings of the study. This research focussed on assessing the service quality delivery challenges of pay TV operators in Tanzania using the Arusha branch of StarTimes as the case organization. The study adopted the modified SERVQUAL model to measure the service quality of pay TV services provided by StarTimes in Arusha. A key sample of the study was 250 customers of the company, out of which 240 customers responded by completely filling in and returning the questionnaires.

Thus the study achieved a response rate of 96% of the targeted sample. This response rate was favorable according to Mugenda and Mugenda (2003) who asserted that a 50% response rate is adequate and 96% was rated an excellent response. The chapter discusses the findings of the study with regard to the objectives that were set out in Chapter One.

The objectives of the study were to assess the service quality delivery at the Arusha branch of StarTimes, to identifying the reasons for the poor service quality offering at StarTimes, identifying areas of service improvement in the study area and examining the level of customer dissatisfaction towards service offered by the company. The chapter also discusses the findings on the areas of service improvement and the level of customers' dissatisfaction towards services offered by StarTimes through the Arusha branch.

4.2 Customer's Expectations and Perceptions of Service in Pay TV Services

Customers' expectations of the services and customer perceptions of the actual service received were measured against the dimensions in the SEVQUAL model for measuring service quality. The questionnaire was designed to ask StarTimes customers' to assess the pay TV operator's services. Five dimensions of SEVQUAL were analyzed to get customers views of the quality and therefore effectiveness of services offered by StarTimes in these aspects. The dimensions were service reliability, service responsiveness, service tangibility, assurance and service empathy. The findings on these quality dimensions with regard to StarTimes' pay TV services are presented and discussed in the following sections.

4.2.1 Service Reliability in Pay TV Services

For pay TV services, the reliability dimension of service quality evaluates the promises of the TV broadcasting services, communication and entertainment and its execution from customers' point of view. Cronin et al. (2000) emphasize that reliability is very important determinant of service quality besides good personal service, staff attitude, knowledge and skills. In the study, I asked participants to assess whether StarTimes' pay TV services are reliable or not. The data presented in Figure 4.1 indicate that 91 out of the 240 participants, which is 38% of respondents strongly disagree that StarTimes' pay TV services are reliable, and only 24 of the 240 participants, which is 10% of the respondents strongly agree that StarTimes performs better on the reliability attribute of service quality.

The findings for service reliability dimension indicate that more than 38 percent of all respondents in this category have low expectations on the reliability dimension of

service delivery by StarTimes. Busterna (1998) explains that service reliability is the service “core” to most clients. It is important for pay TV service operators in Tanzania especially StarTimes to use every opportunity to build a “do-it-right-first” attitude among its management team and employees in order to achieve customer satisfaction with their pay TV services.

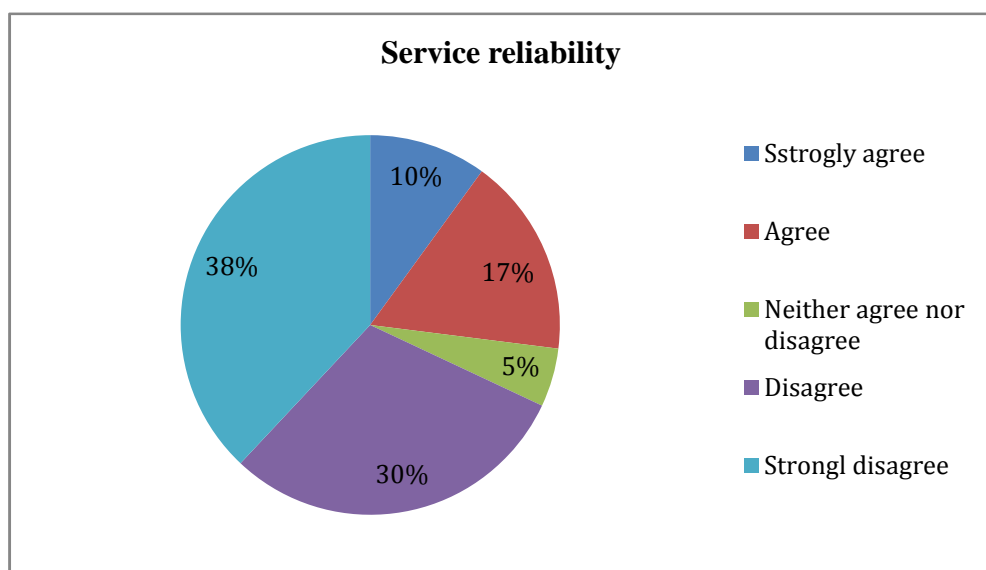


Figure 4.1: Service Reliability at StarTimes Arusha

Source: Developed from survey data, August 2014

Atalik and Arslan (2009) reported that reliable service is the outcome of the continuous improvement. Therefore, pay TV service providers need to continuously monitor the delivery of their services and engage in continuous improvement in all their pay TV facilities, systems, processes and overall service delivery to increase the reliability of their services.

4.2.2 Service Tangibility in Provision of Pay TV Services

In assessing the quality of pay TV services, the service tangibility dimension reflects the willingness or readiness of employees to provide quick services to customers.

Customers are very keen to employees' behaviour in services industry especially in the pay TV industry. In this dimension, I wanted to measure the customers' expectations on the physical appearance of the company especially on areas and facilities that are visible and or involve customers' physical exposure to pay TV operator's service delivery. As shown in Figure 4.2, the findings indicate that 115 out of 240 participants, which 48% of the customers strongly disagree that StarTimes have quality looking equipment such as computers, vehicles, and/or buildings. The visual quality of the physical facilities (the computers, vehicles, and/or building) are not attractive and therefore do not depict quality service delivery.

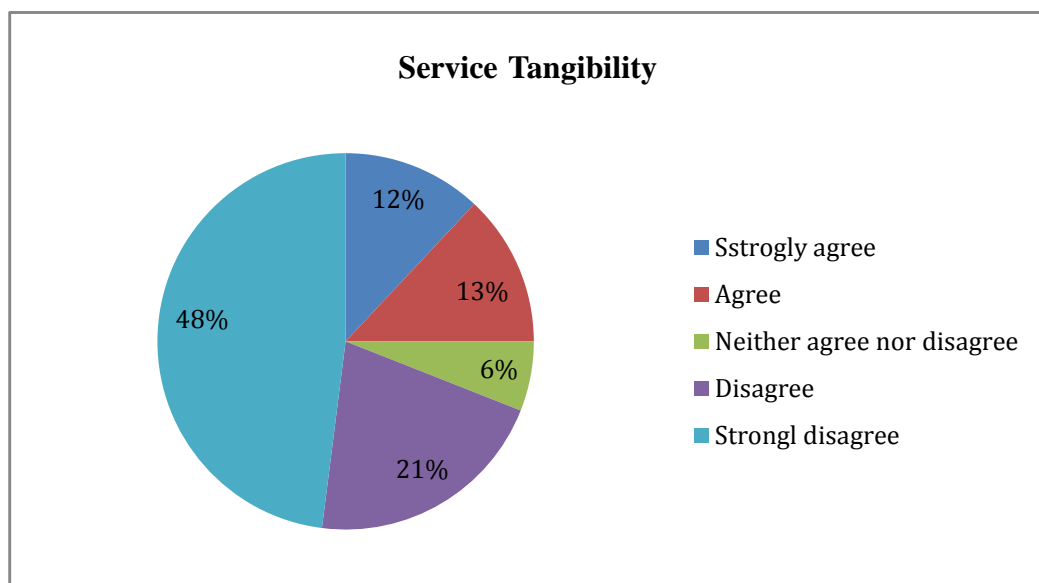


Figure 4.2: Service Tangibility at StarTimes Arusha

Source: Developed from survey data, August 2014

As results indicate, 48% of the respondents' have lower expectations on the tangibility dimension. This implies that customers had high expectations with the physical appearance of the company facilities. The study further revealed that StarTimes employees do not appear professional, and the company does not have

visually appealing materials as only 12% (29 of the 240 participants) strongly agreed. In case where the company had set high tangibility standards, then customers will always be satisfied with this aspect, and this will be translated that the service offered is of expected high quality.

4.2.3 Service Responsiveness in Provision of Pay TV Services

The service responsiveness dimension of service quality reflects the willingness or readiness of employees to provide quick services to customers. Customers are very keen to employees' behaviour with regard to the speed at which they take note of the presence of a customer and how they make themselves readily available to the customer to handle any enquiry, request or complaint. This is critical in the services industry especially in the pay TV service sector. In the study, the researcher measured responsiveness quality dimension in terms of the receptiveness of the services by StarTimes customers.

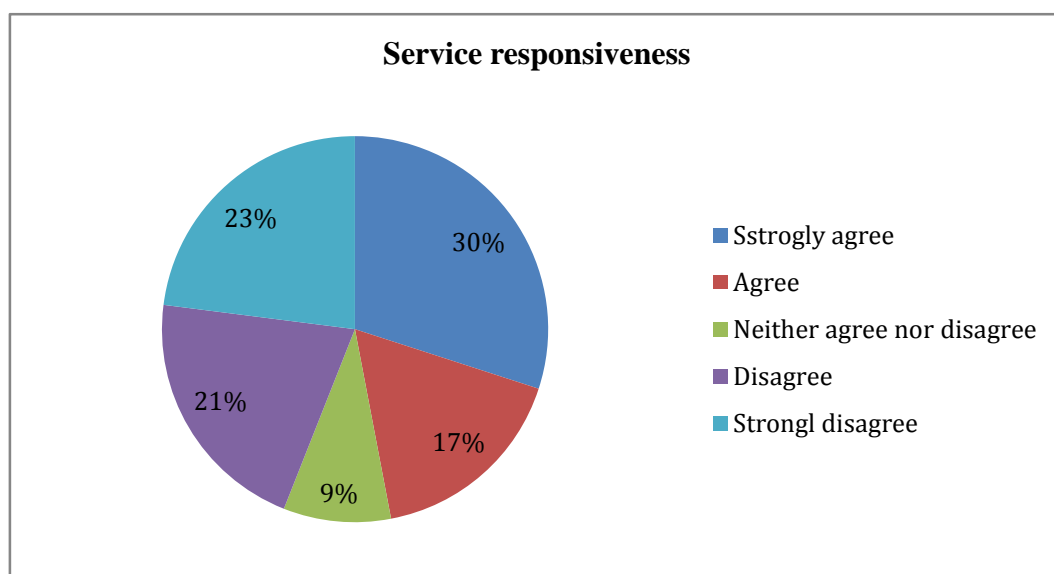


Figure 4.3: Service Responsiveness at StarTimes Arusha

Source: Developed from survey data, August 2014

The research results in Figure 4.3 indicate that 30% of the respondents (72 of the 240 participants) strongly agree that StarTimes provide information on how and when exactly the services will be provided. Also 23% of the respondents (55 of the 240 participants) claim that StarTimes employees are not always ready to provide in this case the service gap still exists.

The results indicate that customers' expectations were high in the responsiveness dimension while as the actual service delivery was below the expectations. Again higher expectations may denote higher service quality or the other way round it all depends on the company quality standards being set. The study found that correct match between staff skills and customers' expectations can result in better service quality towards customers.

Thus, StarTimes needs to be more responsive to customers and the company therefore needs to work on the planning and execution effort. It was also revealed that this frequently offer greater rewards and performance improvement if the company succeeds in being responsive to customers in its delivery of pay TV services. The study found it imperative for StarTimes to develop a culture that is much more supportive of such responsiveness. Calantone, Vickery and Dröge (2005) suggest that a strategy that favours the development and introduction of responsiveness with these characteristics might be called proactive.

4.2.4 Service Assurance in Provision of Pay TV Services

In pay TV service provision, service assurance is one of the most important innovations and it involves the ability to understand what the customer actually sees,

rather than just the state of devices distributing services from the pay TV operator to the customer. It has been noted that some pay TV operators have reduced credits to customers by 70% within two months by having a real knowledge of faults in the home. This dimension indicates the employees' knowledge, courtesy and their ability to convey trust and confidence. Service quality is also linked to the client satisfaction as how employees use their knowledge and courtesy and their ability to incorporate trust and confidence.

During the study, the researcher examined how StarTimes pay TV services customers are guaranteed or assured to have the services at all times. The study reports that 108 out of the 240 participants, which is 45% of the respondents strongly disagree that StarTimes pay TV services do meet the service assurance attributes especially on customers' needs. Figure 4.4 presents these results.

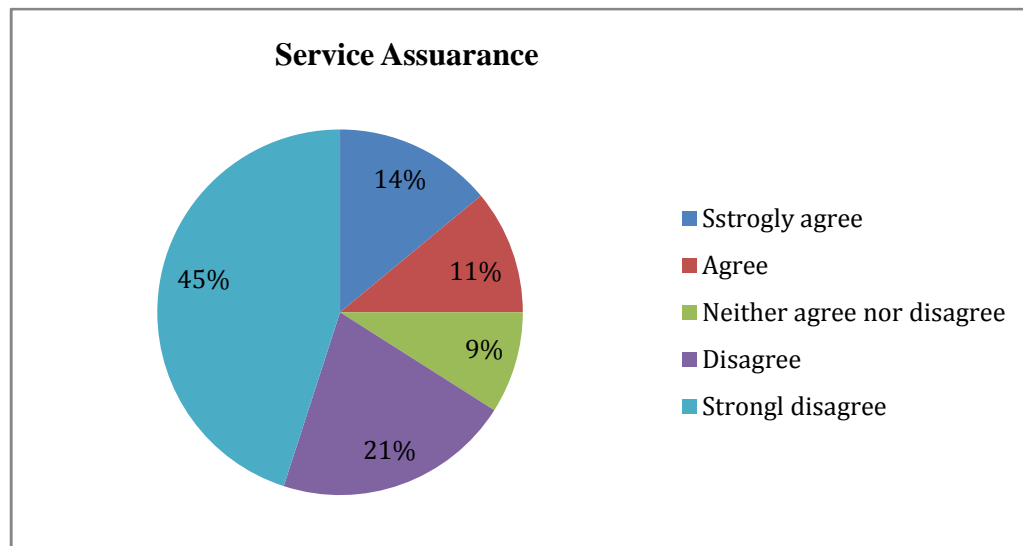


Figure 4.4: Service Assurance at StarTimes Arusha

Source: Compiled from survey data, August 2014

The findings indicate that the majority of respondents (45%) had low expectations on the assurance dimension. Indeed this may be translated that in the case of StarTimes

has not high standard to meet the customers' expectation, then the services quality will look poor to customers. According to Chau and Kao (2009) assurance is an essential dimension of service quality after reliability and responsiveness towards customer satisfaction. Khalifa and Liu (2003) add that customers are more likely to be dissatisfied if the quality of service performance is lower than the expectations (negative disconfirmation). And this may cause StarTimes to lose its customers if it is not addressed.

As the stud revealed, customer expectations on a particular service quality dimension is vital to determining the quality of StarTimes pay TV services. On this regards, one can refer to the expectation disconfirmation theory, which states that the only determinant of satisfaction is customers' expectation. This would therefore mean one should determine customer expectations to ensure satisfaction. According to Fornell and Wernerfelt (1997), the assurance dimension of service quality has the strongest impact on client satisfaction that leads to positive word of mouth outcome ensuring performance. Therefore pay TV operators in Tanzania must strive to achieve high assurance levels in their customers to achieve high service quality. Reduction in unnecessary service cut-off and technical hitches would be vital in achieving service assurance.

4.2.5 Service Empathy in Provision of Pay TV Services

This dimension shows the magnitude of caring and individual attention given to clients. In the communication and entertainment sector client care and individual attention is indispensable for better performance due to stiff competition. The researcher wanted to understand how StarTimes employees connect with their

customers, establish rapport and create a sense of teamwork between them. The survey results in Figure 4.5 below indicate that 38% of the respondents (91 of the 240 participants) strongly disagree that StarTimes employees provide individual customer attention, only 18% strongly agreeing on the mentioned attributes of empathy.

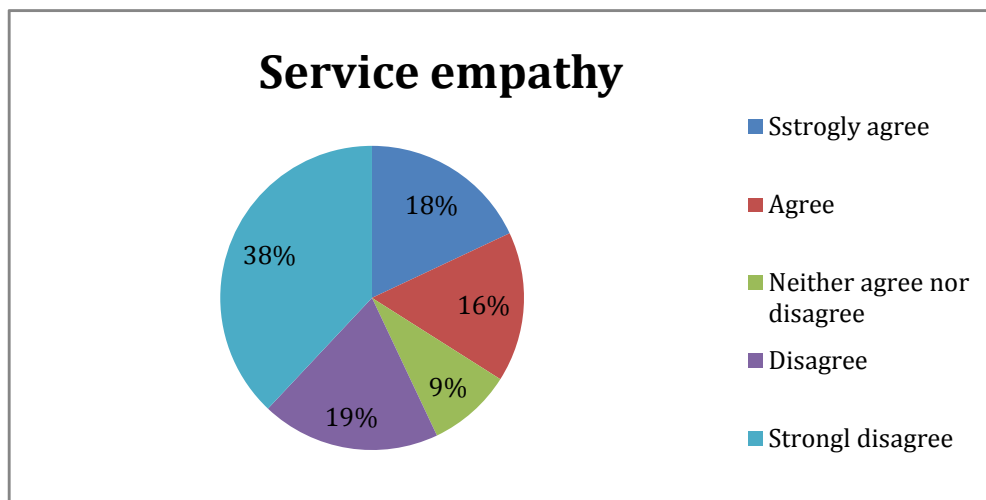


Figure 4.5: Service Empathy at StarTimes Arusha

Source: Developed from survey data, August 2014

From the results conclusions can be drawn that in all aspects of this dimension StarTimes customers' expectation about 45% has low expectations. Empathy is a unique dimension in the sense that it is the ability to put self in another's shoes and the ability to imagine what it might be like to experience what the other person is experiencing. It deals with emotions.

The study discovered that the empathy dimension of service quality is a very important issue for StarTimes in the current state of pay TV market in Tanzania. A company like StarTimes, which competes across borders, is required to develop efforts that ensure its services and products meet the highest quality of set standards

in the pay TV services market. The company requires implementing a successful quality management system, and empathy is one of the critical factors that is important in delivering quality services. Because StarTimes customers have shown high expectations in this empathy service quality dimension and in case companies like StarTimes would set empathy standards high and achieve them, then the business will record success stories. In their study, Spreng and MacKoy, (1996) also found that communication and entertainment clients considered empathy as an important dimension of service quality.

4.3 Reasons for StarTimes' Poor Pay TV Service Delivery

The findings of the study discussed in section 4.2 indicates that the quality of pay TV services offered by StarTimes in Arusha is low, with the company failing on most of the SERVQUAL model dimensions. The study discovered that assurance dimension of service quality has the strongest impact on client satisfaction that leads to positive word of mouth outcome ensuring performance. The study also indicated that network quality should not be ignored in evaluating overall quality of pay TV services. On this service quality factor, one of the customers who was interviewed during the study had the following to say about challenges facing StarTimes and other pay TV operators in Tanzania:

“The main challenge for most operators is to get a meaningful view of TV service delivery into the customer home.”

This directly identifies the network quality as a key factor of determining the service quality of pay TV services. Network disconnections and persistent failures cause

high levels of customer dissatisfaction and hence StarTimes' pay TV services are perceived as poor.

Furthermore, it was discovered pay TV operators are too much attached to provide traditional services without being innovative enough to develop extra services and products that would attract customers to them. Customers view such a service offering as poor and hence StarTimes' finds itself in a situation to develop additional services to its customers to be seen as offering quality pay TV services. The study, thus, found the need for pay TV operators in Tanzania to find other ways of providing extra to customers beyond the physical facilities, tangibility and other dimension of the quality service. It has been discovered that traditional approaches cannot provide a view of device performance, access network performance or home network performance.

Therefore, companies must do more to entice customers and achieve customer satisfaction. In the study, I observed that employees and even some members of the management team at StarTimes could provide clear guidance and support to customers who came for the company's services. And the overall handling of customer enquiries and complaints was unsatisfactory.

The study also found customers' poor service opinion for StarTimes is because the company has not invest enough effort on improving the duration to respond to customers' enquiries, requests and complaints and therefore serve customers better and be seen to deliver quality pay TV services. Increased competition from other pay TV service providers in Tanzania such as DSTN, Star TV, Ting and others means

that StarTimes need to deliver better quality services and improve customer service experiences in order to differentiate themselves. And with early adopting pay TV subscribers signed up with the company long ago during its entry into the Tanzanian pay TV services market, StarTimes has a task of not only attracting new subscribers but also retaining these early adopters of its services. Everyone at the company has to work harder to keep its customer base growing, and this naturally lead to an increasing focus on holding on to existing customers through increase in service quality.

In the study, I observed the way StarTimes employees work with customers in providing pay TV services in Arusha. My understanding of the customers' behaviour was that they expected StarTimes employees to show that they care by being polite, friendly and supportive through attentive listening and active action on the enquiries and requests made by customers. To customers, this is vital in determining the quality of services. However, in some instances StarTimes employees indicated as if they are bothered to handle customer issues and behaved as if they were busy with other issues which are more important than customers' requests or enquiries. Chau and Kao (2009) asserted that service quality is linked to the client satisfaction as how employees use their knowledge and courtesy and their ability to incorporate trust and confidence.

4.4 Need for Improvement in the Quality of Pay TV Services at StarTimes

In the study, we asked participants to give their opinion on whether they are satisfied with StarTimes pay TV services or the company needs to improve its service delivery. A general view from customers indicated high levels of dissatisfaction with

StarTimes' quality of services. And the need for the company to improve the quality of its services was eminent.

We further asked StarTimes' members of management and staff at Arusha branch as to how the improvement in service quality would impact the company's business. Interviews conducted on this aspect showed that employees understand the benefits of improve the quality of StarTimes' pay TV services. The participants argued that improving quality of services is a major business issue for StarTimes as a pay TV service operators, and it is important in competitive terms both for keeping customers happy and reducing the cost of support. The benefits of an increased focus on service quality assurance can include reductions in churn through greater service reliability and quality, but also through improved and more proactive customer support.

The study also revealed that customers are pleased when problems are fixed more quickly, which can be when they are led to the solution themselves over the phone with the help of remote diagnostics. A good reputation for service can attract new customers, while also encouraging existing ones to exploit new features and boost average revenue per user (ARPU). Reductions in operating cost can also be achieved through avoidance of truck rolls, getting installation right first time, and being better prepared at the call centre to reduce time spent on the phone with customers.

4.5 Strategies for Improving the Quality of StarTimes Pay TV Services

Having conducted the questionnaire survey that had SERVQUAL model dimensions for measuring service quality in service businesses, I envisaged to finding the

strategies for improving the StarTimes' service quality. As the findings in Section 4.2 indicates, StarTimes's services have generally been described by its customers are poor and therefore customer satisfaction level is low, especially in Arusha region. The study went further to investigate pathways to achieving quality service delivery by StarTimes and other pay TV services in Tanzania.

During the interviews and observations, it was revealed that commitment for improving service quality is there among StarTimes' staff and management but there is there is a general lack of monitoring the service quality delivery in the company. And this has been reported to be the case in most other pay TV operators in Tanzania. To resolve this, it was discovered that there is a need to adopt proactive monitoring of the pay TV services delivery, in which pay TV operators attempt to identify problems before they occur and, where possible, preventing them from happening in the first place.

Furthermore, I found from the interviews that if this cannot be achieved by the pay TV operator, proactive monitoring can at least make it possible to warn customers in advance of problems or acknowledge that there is an issue. Several operators, such as DSTV which also operates in the Tanzania pay TV market, have reported that the mere act of owning up to a fault can improve customer satisfaction and even reduce churn. Some operators feel monitoring still has further to go at the customer end of the network, by obtaining more information relevant to service quality.

The study also found that for pay TV operators generally, proactive monitoring can improve customer satisfaction and reduce churn, not just by avoiding problems, but

also because it allows customers to be warned when they might occur. This can be particularly valuable for new customers because teething troubles, by their nature, tend to occur early on and can cause loss of confidence in the service before it has had a chance to settle down. One of the participants in the study argued that the most important innovations in the pay TV service quality today is the ability of the pay TV operator to understand what the customer actually sees, rather than just the state of devices distributing services from a head end. Thus, StarTimes need to listen to what customers say and want when it comes to provision of its pay TV services in Tanzania and other places of its market coverage in the world.

The overall outcome of the implementation of these strategies is expected to be viewer satisfaction, which is actually customer satisfaction with the pay TV services. (Busterna, 1998) emphasizes that viewer satisfaction is another important key for service organizations in television broadcasting and it is also highly related with service quality. As service quality improves, the possibility of viewer satisfaction increases. The study revealed that pay TV firms need to measure viewer satisfaction and identify the factors that can help to shape it. In relation with service quality, viewer satisfaction is another important key for pay TV service providers.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings and makes a conclusive remark on the whole study. It is organized into four sections. Section 5.2 provides a summary of the research findings, while as Section 5.3 discusses the conclusion of the study. Section 5.4 presents the recommendations of the study, and Section 5.5 highlights areas suggested for further research.

5.2 Summary

The main objective of this study was to assess the challenges facing pay TV operators in service quality delivery. And the study adopted the case study design using the Arusha branch of Star Media Tanzania Limited (StarTimes). The study specifically focussed on assessing the performance of StarTimes against the service quality measurement dimensions from the SERVQUAL model, identifying the reasons for StarTimes' poor pay TV services offering, identifying areas of service improvement and examining the level of customer dissatisfaction towards service offered by the company.

In the process of identifying the reasons for poor service offering, the study investigated the challenges that StarTimes faces in the delivery of its pay TV services to customers in Arusha region. Areas of services that need improvement were also identified as well as the level of customers' dissatisfaction with the quality of service offered by StarTimes.

5.2.1 The Challenges Faced by Pay TV Operators in Service Quality Delivery

Service Reliability

From the findings of this study, reliability is one of the challenging issues at StarTimes as the company strives to deliver quality pay TV services to its customers. A large percent of the respondents in the study clearly declared their dissatisfaction with the company's quality of services. Specifically, the participants argued that StarTimes' reliability as a pay TV service provider is low. Customers have set higher expectations on StarTimes' pay TV service delivery reliability and the company is struggling to meet these expectations. Hence, the quality of StarTimes services in terms of reliability has been found to be poor.

Service tangibility

Large percent of respondents claimed that StarTimes services do not meet the tangibility quality dimension. Nonetheless, if the company has set low tangibility standards, then customers will always be dissatisfied with this aspect of the service quality, and this may impact the overall service quality of the company's services. And the study found that the eventual effect would be reduction in subscribers as the company will fail to retain its existing customers and will not manage to attract new subscribers to its pay TV services.

Service responsiveness

On the service responsiveness dimension of service quality measure, StarTimes employees are very slow in responding to customer complaints, enquire and requests. The study revealed that this may result into customers ending up being frustrated with the company's services, and opt to go for services provided by competitors such

as DSTV, Star TV, Ting and others. However, there is room for StarTimes to improve on this quality dimension by setting high service responsiveness standards to meet customers' expectations.

Service assurance

On service assurance quality dimension, the study investigated StarTimes competence, courtesy, credibility and security aspects in pay TV service delivery. Knowledge and courtesy behaviour employees towards customers, and their ability to inspire trust and confidence were found to be an important factor in determining the quality of the company's services. Management and employee's confidence when handling customers' issues was found to be low according to the survey results. The study indicates that the majority of respondents (45%) had low expectations on the assurance dimension of StarTimes' pay TV services quality. This means the company's standards on service assurance do not meet customers' expectations, and hence the results on the quality measurement of StarTimes service assurance shows poor performance.

Service empathy

In the study, the empathy dimension of service quality measurement was taken as a unique dimension in that it involves the ability to put self in another's shoes and the ability to imagine what it might be like to experience what the other person is experiencing. The management and employees of StarTimes were therefore expected to show quality in their handling of customer enquiries, requests and complaints and of course in all transactions. On the empathy service quality dimension, StarTimes scored low levels in terms of the customers' point of view. The study revealed the

need for StarTimes employees to measure the quality of their services through their own use of the company's pay TV services.

5.2.2 The Reasons for Poor Service Offering at StarTimes

As the findings on StarTimes performance on its service quality delivery against the SERVQUAL model dimensions, the company's quality of services has been rated as low. The study found the following to be the reasons for the company's poor quality service delivery:

- (i) StarTimes employees have performed poorly and failed to deliver service reliability especially when handling of customers enquiries, requests and complaints.
- (ii) The company's management lacks innovativeness in speeding up pay TV service delivery without compromising the other service quality dimensions. The duration to serve customers and deliver the services is critical to delivery of quality services.
- (iii) StarTimes is not accurate in giving information to customers and keeping them informed at all times.
- (iv) The management and staff at StarTimes lack professionalism and competence in working with customers, and they lack courtesy in handling customers.
- (v) The company's employees are reportedly not friendly to customers and do not show politeness and sympathy.

5.2.3 Areas of Service Improvement at StarTimes Arusha Branch

The study explored areas for improvement to increase the quality of pay TV services offered by StarTimes. The areas of improvement were identified with regard to the

five dimensions of service quality measurement as depicted in the SERVQUAL model. The identified areas of service quality improvement for StarTimes are as follows:

Reliability

The study found the need for StarTimes to be keen on providing reliable services to its customers. Reliability is about the accuracy and timeliness in the service provision. Real customer service problems were evidenced during the study as I observed long queues, which led to customers spending much more time before they get services. StarTimes offices were sometimes overcrowded with customers.

Service Tangibility

The findings for service quality in all five-sub dimensions of service tangibility indicated that customers' expectations were higher than the tangibility level offered by StarTimes. And the question of customer satisfaction with service tangibility, about 83 percent of all customers reported to be dissatisfied. This indicates the need for the company to improve the tangibility part of its quality of the pay TV services delivery.

Service Responsiveness

The study findings indicate that more than 50 percent of all respondents strongly agreed of the responsiveness dimension of quality services delivery by StarTimes. However, about 54 - 83 percent of the respondents were not satisfied with the service quality on the responsiveness dimension. Hence StarTimes, need to improve service responsiveness by, for instance, employees being punctual on services delivery,

responding timely to customer enquiries, and employees should be attentive to customer demands.

Service Assurance

The findings indicate that the majority of respondents (more than 90%) had high expectations on the assurance dimension. However, the results on the satisfaction level with StarTimes services were low. Customers were not comfortable on StarTimes employees' professional conduct as they don't care much on the quality of interaction, responding to the needs of customers, and they don't have enough expertise in answering customers' questions.

Service Empathy

Large percent of customers had high expectations on the empathy dimension of service quality in assessing the performance of StarTimes services. Conversely, on the part of customer satisfaction the number of customers that are dissatisfied with the company's services is high (about 79 percent). Therefore, StarTimes should work hard to ensure that employees provide individual customer attention and should have suitable working hours that accommodate customer inconveniences. Furthermore, there is need for employees to show personal customer care.

5.3 Conclusion

The research questions were answered using five dimensions of SERVQUAL model such as reliability, responsiveness, tangibility, empathy and assurance. However the study used customer satisfaction scope to come up with the extent of customers' dissatisfaction. In all dimensions the results revealed that the large number of

customers was dissatisfied with the service quality delivery aspects StarTimes Arusha branch.

The research on measuring service quality has focused primarily on how to meet or exceed the external customer's expectations, and has viewed service quality as a measure of how the delivered service levels equalize consumer's expectations. This study measuring service quality of StarTimes mainly studied on client expectation and perception about the services on different five dimensions. There are several interesting conclusion and research implications drawn from these results. One of the primary causes of service quality design failure is the lack of understanding of the evolving need and preferences of targeted customers StarTimes may attempt to move itself by reshuffle its service delivery system to enhance the SERVQUAL items in the areas of service quality.

Dimensions of SERVQUAL items such as solving the customer problems, service delivery on time, quick response to customer request, safe transactions, personal attention and understanding the needs of the customer appear to be fertile areas for future inquiry. The findings here gives the evidence StarTimes should take proper steps to ensure the clients satisfaction on their services through quick response, reliable service, and giving assurance to fulfil their expected requirements.

The study also indicated that that service quality is an antecedent of customer satisfaction. Poor interaction between the customer and pay TV service provider have been identified the cause of customer satisfaction. Pay TV service providers have also lamented that customers are becoming more and more demanding and lack

tolerance with any shortfalls in the quality of services offered by the pay TV operators.

The study conclude that customers' dissatisfaction may have been due to the fact that customers had set their service expectations very high and StarTimes has set the quality standard very low. Because customer satisfaction is something to do with the perception after the services encounter, then StarTimes had not been in a position to understand customers experience and adjust the quality service standards.

5.4 Recommendations

Having a large number of customers not satisfied with the service quality has a negative impact on company productivity, hence it is recommended that StarTimes work hard on five dimensions of service quality as highlighted in this study, and put specific emphasis on sub dimensions that shows weak performance. The study recommends that, knowing how consumers perceive service quality and being able to measure service quality can benefit management of service firms. Measuring service quality can help management provide reliable data that can be used to monitor and maintain improved service quality. Using the SERVQUAL model to assess service quality enables management to better understand the various dimensions and how they affect service quality and customer satisfaction. This will help them to identify their strengths and weaknesses and thereby make necessary improvements.

Developing customer satisfaction tools and guidelines will be the first important step towards improving service quality. Customers care training is necessary for StarTimes staff to enable hem handle well customers. In order to StarTimes to know

well how its customers perceive service quality, it is necessary to develop a client's communication and feedback mechanisms including having suggestion boxes in all units. Because StarTimes is working in a modern world, it is recommended to adopt modern working facilities including modern buildings, computers, and furniture and hire modern and professional staff.

The study further recommends that StarTimes and other pay TV operators in Tanzania should improve performance on all the dimensions of service quality in order to increase customer satisfaction since consumers expect more than what they are offering. This will enable them maintain high level of competitiveness. General implication to management of paid television services providers is that they should focus on all dimensions of service quality and make efforts to improve them in order to have better performance that would lead to higher perceived service quality and customer satisfaction.

5.5 Suggested Areas for Further Research

The study has assessed provision of quality pay TV services and the challenges that face pay TV operators in this regarding using Arusha branch of StarTimes as a case organization. The paid television services providers in Tanzania however comprise of various other companies and firms located in other areas in the country. They may differ in their way of management and have different settings all together, and may as well have different nature of TV services and provisions.

Their customers and employees will have different perceptions regarding the quality of pay TV services. As such, I recommend other studies to be conducted as this will

allow for generalization of the findings for all the pay TV services in Tanzania and hence pave way for new policies development to guide oversight and regulations that ensure provision of quality TV services. Specifically, I recommend a study that should aim to explore service quality and performance of the pay TV service providers Tanzania. A related comparative study on this area would also be imperative.

The other suggested areas for further research is on a study that will focus on understanding the customer-company relationship in the pay TV service sector, and also a study that uses a cross-sectional research design should be undertaken on all TV operators irrespective of whether they provide pay TV services or not in order to benchmark the standards for service quality in Tanzania and their respective determinants. This is because, it seems in all areas the relationship between customers and the company is not clear. And this is why in all service dimensions, customers are reportedly not satisfied.

As indicated by the findings of this study, there are no clear practical relationship and communication channels between customers and the company. Once the customer has purchased the service and acquired the service, the pay TV service provider makes no initiative to follow up the customer, understand his or her consumption of the services nor does the service provider find the need to study change in tastes and quality aspects in the service being offered. I thus also recommend a study that would result into developing service quality delivery monitoring system by pay TV operators in Tanzania which would assist the service

providers to engage into collection of information that can be used for continuous improvement in their pay TV services.

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APPENDIX

Appendix I: Questionnaire

A QUESTIONNAIRE TO MEASURE CUSTOMER SATISFACTION ON SERVICE QUALITY PROVIDED BY STARTIMES IN ARUSHA

INSTRUCTIONS: This survey deals with your opinions of StarTimes services as part of my MBA dissertation. If you **strongly agree** with the statement, circle the column under number 5. If you **strongly disagree** with the statement circle the column under number 1. If your feelings are not strong, circle one of the numbers in the middle.

Service Reliability	1	2	3	4	5
StarTimes employees will perform according to the agreements					
StarTimes employees will show genuine concern in solving service problems					
StarTimes services are will be performed at exact time					
StarTimes will provide services at the time guaranteed					
StarTimes management will assure and maintain an error free records					

Service Tangibility at StarTimes, Arusha	1	2	3	4	5
StarTimes will have modern looking equipment (computers, vehicles, building)					
StarTimes will have visually attractive physical facilities (computers, vehicles, building)					

StarTimes employees will appear professional					
StarTimes will have visually appealing materials (publications etc)					

Service Responsiveness at StarTimes, Arusha	1	2	3	4	5
StarTimes will provide information on when exactly the services will be provided					
StarTimes will provide punctual services					
StarTimes employees will always be ready to help					
StarTimes employees will never very busy to reply to service demand					
Service Assurance	1	2	3	4	5
StarTimes employees' behaviour will inspires self-confidence					
StarTimes customers will feel safe in their interactions with employees					
StarTimes employees will constantly be considerate on customers' needs					
StarTimes employees will have the expertise to answer customer questions					
Service Empathy	1	2	3	4	5
StarTimes employees will provide individual customer attention					
StarTimes will have suitable operating hours					
StarTimes employees will provide individual care to customers					
StarTimes employees will have the best attention of the client at heart					
STARTIMES employees will understand the requirements of the customers					

Customer Satisfaction	1	2	3	4	5
StarTimes employees deliver reliable service including handling well customers problems					
StarTimes is thoughtful on the duration to serve customers and deliver the services					
StarTimes is accurate in giving information and keeping customers informed					
StarTimes has appealing facilities, employees are professionals, and competent and treat customers fairly					
StarTimes employees are friendly, polite and sympathetic					