

**THE ASSESSMENT OF SERVICE QUALITY AND CUSTOMER
SATISFACTION USING SERVQUAL MODEL: A CASE STUDY OF
TANZANIA TELECOMMUNICATIONS COMPANY LIMITED (TTCL)**

MARY LOUIS TEMBA

**DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE MASTERS DEGREE IN BUSINESS
ADMINISTRATION OF THE OPEN UNIVERSITY OF TANZANIA**

2013

CERTIFICATION

The undersigned certifies that she has read and hereby recommends for acceptance by the Open University of Tanzania, a dissertation entitled “*The assessment of service quality and customer satisfaction using SERVQUAL Model: The Case Study of Tanzania Telecommunications Company Limited (TTCL)*”, a partial fulfillment of the requirement for the Masters of Business Administration of the Open University of Tanzania (OUT).

.....

Dr. Salum Mohamed

(Supervisor)

Date.....

COPYRIGHT

No part of this dissertation may be reproduced, stored in any retrieval system, or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the author or the Open University of Tanzania in that behalf.

DECLARATION

I, Mary Temba, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

Signature

Date

DEDICATION

This dissertation is dedicated to my beloved husband Erasto Haji and our daughter Jessica. I love them all.

ACKNOWLEDGEMENTS

I would begin by sincerely thanking my supervisor; Dr Salum Mohamed for the unyielding support that he extended to me to come up with quality write-up. I appreciate his efforts because he offered me all the necessary guidelines I needed during preparation of this academic paper.

I deeply thank my family and close friends for moral support and encouragements extended during this study. Special thanks go to all questionnaire respondents for providing on time responses and to those not mentioned for their upper hands while preparing this dissertation finally many thanks go to the Almighty Lord God for his blessings, strength and knowledge he extended to me while carrying out this academic work.

ABSTRACT

Service quality and customer satisfaction are very important concepts that companies must understand if they are to grow and remain competitive in the business environment. It is very important for companies to know how to measure these constructs from the customers' perspective so as to understand their needs and satisfy them. Service quality is considered to be very critical to any modern business because it contributes higher customer satisfaction, profitability, reduced cost, improved customer loyalty and retention. The main purpose of this study is to assess customer satisfaction and service quality using SERVQUAL model within TTCL working environment. Other purposes include how customers perceive service quality; identify service quality dimensions that contribute to higher satisfaction, factors hindering customer satisfaction and what should be done to improve customer satisfaction for TTCL customers. A questionnaire was designed and distributed to respondents using a convenience sampling technique for TTCL customers. The analysis carried found that, the overall service quality perceived by customers was not satisfactory; means customers expectations exceeded perceptions. Also analysis revealed that TTCL Customer Care, Network Coverage, Voucher availability, handsets flexibility and air time charges are the critical factors that hinder satisfaction. As far as theory is concerned findings reveals that SERVQUAL model is not the best tool to use in measuring service quality for TTCL because the dimensions were negative gap. This study contributes to the already existing studies examining service quality within TTCL using SERVQUAL model. It also provides empirical results that guide other telecommunications companies on the corrective measures that lead to respective companies significant growth.

TABLE OF CONTENTS

CERTIFICATION	ii
COPYRIGHT	iii
DECLARATION.....	iv
DEDICATION.....	v
ACKNOWLEDGEMENTS	vi
ABSTRACT	vii
LIST OF TABLES	xii
ABBREVIATIONS	xiv
1.0 INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Research Problem	2
1.3 Research Objectives	4
1.3.1 General Research Objective.....	4
1.3.2 Specific Research Objectives.....	4
1.4 Research Questions	5
1.4.1 General Research Question.....	5
1.4.2 Specific Research Questions	5
1.5 Significance of the Study	5
1.6 Scope of the Study	6
1.7 Organization of the Study	6

CHAPTER TWO	9
2.0 LITERATURE REVIEW	9
2.1 Introduction.....	9
2.2 Conceptual Definitions	9
2.2.1 Service Concept	9
2.2.2 Quality Concept	10
2.2.3 Product Quality	11
2.2.4 Service Quality Concept	12
2.2.5 Customer Satisfaction	13
2.3 Theoretical Analysis	14
2.3.1 Service Quality Models.....	14
2.3.2 The Development and Evolution of the SERVQUAL Model	20
2.3.3 Functioning of the SERVQUAL.....	21
2.3.4 Criticisms of SERVQUAL Model	22
2.3.5 Customers' Expectations Compared to Perceptions	23
2.3.6 Factors that Affect Customer Satisfaction	25
2.3.7 Relationship Between Service Quality and Customer Satisfaction	26
2.3.8 Customer Service Communication	27
2.3.9 Feedback in Customer Service Communication.....	29
2.4 Empirical Analysis.....	30
2.5 Research Gap	34
2.6 Conceptual Framework	35
2.7 Theoretical Framework.....	36

CHAPTER THREE	37
3.0 RESEARCH METHODOLOGY	37
3.1 Introduction.....	37
3.2 Research Design.....	37
3.3 Area of Study	37
3.4 Sampling Design and Procedures	38
3.5 Research Approach	38
3.6 Variables and Measurement Procedures	38
3.7 Method of Data Collection.....	40
3.8 Data Collection Tools	40
3.8.1 Questionnaires.....	40
3.8.2 Administering of Questionnaires	41
3.9 Data Processing and Analysis	41
3.9.1 Coding.....	42
3.8.2 Re-coding	44
CHAPTER FOUR.....	45
4.0 DATA ANALYSIS AND PRESENTATIONS.....	45
4.1 Introduction.....	45
4.2 Demographic Characteristics of the Respondents	45
4.3 The Overall Service Quality as Perceived by Customers in TTCL	47
4.4 Service Quality Dimensions that Brings Satisfaction in TTCL.....	50
4.5 Factors Hindering Customer Satisfaction in TTCL	53
4.5.1 Network Coverage	53
4.5.2 Voucher Availability.....	55

4.5.3 Flexibility	56
4.5.4 Air Time Charges	57
4.5.5 Phones or Handset Prices	58
4.5.6 Customer care	59
4.6 What Should be Done to Improve Customer Satisfaction in TTCL	60
CHAPTER FIVE.....	62
5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	62
5.1 Introduction	63
5.2 Summary of Findings	63
5.3 Conclusion	64
5.4 Implications of the Findings	65
5.5 Recommendations	65
5.6 Limitations	66
5.7 Suggestions for Further Research	67
REFERENCES.....	67
APPENDIX.....	71

LIST OF TABLES

Table 4.1: Personal Profile of Respondents	46
Table 4.2: Summary of Customer's Expectations and Gap Scores	47
Table 4.3: Average Gap Score on Expectations and Perceptions	50
Table 4.4: Ranked Service Quality Dimensions and its Average Score	53
Table 4.5: Network Coverage Satisfaction	54
Table 4.6: Voucher Availability	55
Table 4.7: Flexibility.....	56
Table 4.8: Air Time Charges Satisfaction.....	57
Table 4.9: Handsets Prices Satisfaction	58
Table 4.10: Customer Care	59
Table 4.11: To Determine What to be Done to Improve Customer Satisfaction in TTCL	60

LIST OF FIGURES

Figure 2.1: Measuring Service Quality Using SERVQUAL Model	21
Figure 2.2: Conceptual Framework	35
Figure 4.1: Gender of Respondents	46
Figure 4.2: Customer Spending Per Month	46
Figure 4.3: Network Coverage	55
Figure 4.4: Voucher Availability	56
Figure 4.5: TTCL Flexibility in Service Delivery	57
Figure 4.6: Air Time Satisfactions	58
Figure 4.7: Handsets Prices Satisfaction	59
Figure 4.8: Customer Care	60

ABBREVIATIONS

EAC	East African Community
EAP&TC	East African Posts and Telecommunications Corporation
TCC	Tanzania Communication Commission
TCRA	Tanzania Communications Regulatory Authority
TPTC	Tanzania Posts and Telecommunications Corporation
TTCL	Tanzania Telecommunications Company Limited
OUT	Open University of Tanzania
SERVQUAL	Service quality model

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Tanzania Telecommunications Company Limited (TTCL) is the oldest and largest fixed line Telecommunications Company in Tanzania cropped from the former East African telecommunications provider. In 1933, the former East African Post and Telegraph Company incorporating the Tanganyikan, Kenyan and Ugandan Postal, Telegraph and Telephone providers were formed. The East African Posts and Telecommunication Act led to the formation of the East African Posts and Telecommunications Administration in 1951. In 1967 the East African Community (EAC) was founded and replaced the East African Common Service Organization; consequently, the East African Post and Telecommunications Corporation (EAP&TC) was established and replaced the East African Posts and Telecommunications Administration.

The breaking up of EAC in 1977 forced EAC member countries again to re-establish their own national Postal, Telegraph and Telephone service entities. Therefore, in 1978 an organization was established in Tanzania going with the name Tanzania Posts and Telecommunications Corporation (TPTC). Telecommunication sector liberalization process in 1993 in Tanzania again resulted into the splitting up of the TPTC. In this context, the TPTC split into three separate entities, namely the Tanzania Posts Corporation, the Tanzania Telecommunications Company Limited (TTCL), and the Tanzania Communication Commission (TCC). TTCL was responsible for Telecommunication services and it was established based on

Parliamentary Act, “The Tanzania Telecommunication Company Incorporation Act of 1993”. TTCL officially started its operations on 1st January 1994 and its main statutory function was to establish, develop and operate telecommunication and all incidental services within and outside Tanzania in accordance with a license issued by the Tanzania Communication Commission. The partial privatization of TTCL on February 23, 2001 was one of the first steps towards full liberalization of the market and this change marked the beginning of new era in terms of market behavior in the country.

Changes in the telecommunications sector world-wide have also forced the government of Tanzania to redefine its existing policy with the objective of improving telecommunication service delivery so that it can contribute effectively to the development of the national economy. In view of the liberalization of the Tanzanian economy, activities such as banking, insurance, financial services, and tourism have increased rapidly, coupled not only with a growing need for the basic plain old telephony service (POTs) and data communication services, but also with an increasing need for more advanced telecommunication services. This environment has caused the management of telecommunication sector in Tanzania to undergo drastic reform to face emerging challenges in order to provide service quality to the customer’s satisfaction.

1.2 Statement of the Research Problem

The understanding of customer’s needs within current competitive telecoms industry has become an important factor for service providers successes .Owing to

that , companies have moved from product-centric to a customer centric positions. Satisfaction has become of great interest to practitioners because it is important to customer retention (Patterson et al., 1997; Sedon, 1997). Available records reveals that TTCL; the provider of both voice and data services has not achieved significant customer base growth. The TCRA report (2011) shows that, TTCL has 3% of the market share in terms of customer base. Still there is very low penetration rate over many years there has been no significant customer base growth even after deployment of new technologies. To cope with technological changes and meet customer requirements, TTCL introduced mobile services in 2005. The introduction of new technologies went extensively with training its workforce throughout the country, modernization of customer service centers and customer enhancement, coupled with lower tariff reduction. All these were done as positive steps towards positioning itself well against the increasing competition in telecommunication industry in Tanzania.

There is argument that despite several initiatives taken by the management of TTCL to increase revenue creation, the overall Sales revenue performance continues to decline. TTCL has lots of problems with its customers where most of them are dissatisfied with the services they are getting from TTCL customer service centers.

These are discrepancies between perceived performance and expectation from customers point of view (perceived performance is less than expectation) that make them dissatisfied customer believes TTCL service quality can not satisfy them for much service quality even though customer satisfaction is the major issue for businesses that are providing telecommunication services and other related services.

Improved service quality in the future is the critical factor that will determine whether the business will survive or fail (Thompson, Green & Bokma 2000). Better service quality typically helps to get higher market share and better returns (Slu & Mou 2003). Taking into consideration of service quality parameters for improved service performance that is why the author assesses and uncover the applicability of TTCL service quality and customer satisfaction using SERVQUAL model. This model measures the difference between customers' expectations and perceptions in terms of performance within TTCL using various service quality dimensions including tangibility, reliability, responsiveness, assurance and empathy. Striving at meeting or exceeding customer expectations customers; TTCL will be able to increase market share and maintain a high service quality within telecommunications industry.

1.3 Research Objectives

The research guided by the following objectives;

1.3.1 General Research Objective

The general objective was to assess service quality and customer satisfaction using SERVQUAL model in TTCL

1.3.2 Specific Research Objectives

Specific objectives were;

- i. To determine the overall service quality as perceived by customers within TTCL
- ii. To determine service quality dimensions that brings satisfaction to TTCL customers
- iii. To identify factors that hinder customer satisfaction in TTCL
- iv. To determine what should be done to improve customer satisfaction in TTCL.

1.4 Research Questions

There were both general and specific questions.

1.4.1 General Research Question

How to assess service quality and customer satisfaction using SERVQUAL model in TTCL?

1.4.2 Specific Research Questions

- i. How do customers perceive service quality in TTCL?
- ii. Which service quality dimensions brings satisfaction to TTCL customers?
- iii. What are the factors hindering customer satisfaction in TTCL?
- iv. What should be done to improve customer satisfaction in TTCL?

1.5 Significance of the Study

This study was significant in the following regards;

- i. It will help TTCL to develop and implement effective service quality improvement initiatives.
- ii. It will serve as a valuable source of information that high lights the switching intention of customers to other operators.
- iii. It will essentially uncover dimension of service quality that TTCL customer consider as important as well as customer's intention to switch to other operator.
- iv. This study provides empirical support for management strategic decision in several critical areas of their operation and to provide a justifiable valid and reliable guide in designing workable service delivery improvement strategic

for creating and delivering customer value, achieving customer satisfaction and loyalty, building long term mutually beneficial relationship with customers and achieving sustainable growth in TTCL.

- v. It will provide to the public better understanding of the organization in terms of its services quality to customers. It is hoped that the information collected may provide a base for improving marketing activities and services development decisions. Also it will insist the importance of the Company to communicate with present and potential stakeholder and the general public. Furthermore, it is hoped that the finding of the study might stimulate further study on other aspects concerning relationship between service quality and customer satisfaction.
- vi. Lastly, will serve as partial fulfillment of the requirements of the award on master's degree in business administration.

1.6 Scope of the Study

The focusing of this study is TTCL, where researcher evaluating how consumers perceive service quality in this Company in general. This study is limited to TTCL because the sample is drawn from the customers using TTCL services and to those with experiences of telecom industry.

1.7 Organization of the Study

This gives a summary of each chapter of the thesis. Chapter one introduces the topic to the reader. This chapter explains the background of the study and statement of the problem giving a focus of the study. The Objective of the study and research

questions is identified. Scope of the study and organization of the study is also identified.

This chapter two gives the literature review, where all the concepts that are important to the study will be presented. Conceptual definitions presented, thus all terms related to service, quality, customer satisfaction, customer expectations and customer perception are to be identified. Theoretical and empirical analysis will also be presented. After carefully analyzing various research studies conducted so far using SERVQUAL model, research gap identified and conceptual framework developed as well as theoretical framework described.

Chapter three describes how the study will be carried out, showing the measurement of the constructs, the way data have been collected and coded. The purpose of this chapter is to present, discuss and argue for the choices made in designing the research framework of this study. The study is quantitative study and the research design is case study design in which data collected from the respondents using self-completion questionnaires in order to make the study very objective.

Chapter four discusses the data collected from the field that would enable to answer research questions. The data collected was mainly based on respondents' expectations and perceptions of the various items under the SERVQUAL model. Demographic description of the respondents and factors hindering customer satisfaction will be identified. General description of the consumers' expectations and perceptions of the various dimensions was done using descriptive statistics.

Also, gap score analysis was carried based on the difference between the expectations and perceptions ($P - E$) in order to assess service quality and customer satisfaction. The use of theory was necessary in this chapter in order to answer our research questions.

Chapter five gives a summary of the findings have been outlined and thereby providing answers to research questions. Theoretical, managerial implications and finally possible recommendations from findings have been provided. Limitations and suggestions for further research topics are mentioned in this chapter.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature and related models to research problem. The chapter introduces the key concepts on customer service, service quality, customer satisfaction, relationship between service quality and customer satisfaction. Service quality dimensions, concept formations of customer satisfaction and empirical analysis of the Past studies. Also it shows the research gap, conceptual framework and theoretical framework.

2.2 Conceptual Definitions

From the title of this research work look at, to assess service quality and customer satisfaction using SERVQUAL model, therefore all the term related to service, quality and customer satisfaction were defined.

2.2.1 Service Concept

A study carried out by Johns, (1998, p.954) points out that a word ‘service’ has many meanings which lead to some confusion in the way the concept is defined in management literature, service could mean an industry, a performance, an output or offering or a process. He further argues that services are mostly described as ‘intangible’ and their output viewed as an activity rather than a tangible object which is not clear because some service outputs have some substantial tangible components like physical facilities, equipments and personnel. An example of services offered by

TTCL, are voice services and data services which have tangibles such as sales assistances, computers, self-service equipments, brochures. We consider tangible components (servicescape) when assessing activities offered by TTCL in order to understand better service activities.

2.2.2 Quality Concept

Some definitions of quality pointed out by Hardie & Walsh (1994, p.53) include;

“Quality is product performance which results in customer satisfaction freedom from product deficiencies, which avoids customer dissatisfaction” – (Juran, 1985, p.5)

“Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations” – (Gitlow et al. 1989). *“Quality: the totality of features and characteristics of a product that bear on its ability to satisfy stated or implied needs”*– International Standards Organization (ISO). *“Quality is the total composite product and service characteristics of marketing, engineering, manufacture and maintenance through which the product in use will meet the expectations of the customer”* – (Feigenbaum, 1986).

Quality has been considered as being an attribute of an entity (as in property and character), a peculiar and essential character of a product or a person (as in nature and capacity), a degree of excellence (as in grade) and as a social status (as in rank and aristocracy) and in order to control and improve its dimensions it must first be defined and measured (Ghylin et al., 2008, p.75). The above definitions of quality shed light in understand quality concept and point out that quality has many views.

2.2.3 Product Quality

Product quality is defined as the collection of features and characteristics of a product that contribute to its ability to meet given requirements. The characteristic of a product or service that satisfies the customer's wants and needs in exchange for monetary considerations. If the consumer is satisfied that he/she had a fair exchange, then the quality is acceptable. A perception of high quality or that which is above expectations can help to create high brand loyalty and in turn helps create brand equity for the company. If a consumer buys Maytag washers due to past exceptional service, then this quality level has helped create brand loyalty.

According to Garvin, (1987) suggested eight dimensions of product quality which are very important to customers since they lay much emphasis on quality when buying among many similar products and they include; Performance- primary operating characteristics of a product, Features- 'bells and whistles' of a product, Reliability- probability of a product failing within a specified period of time; Durability- measure of a product life; Conformance- degree that a product's design matches established standards; Serviceability- speed and competency of repair; Aesthetics- subjective measure of how a product looks, feels, sounds, smells or tastes; Perceived quality- subjective measure of how the product measures up against a similar product.

In the case of TTCL, these factors play a very important role in knowing how customers perceive service quality and therefore support in the measurement of service quality for this study, the definition of quality used is the user-based

definition because quality is eventually evaluated by human and it is the most appropriate method to examine dimensions of quality according to Ghylin et al., (2008, p.78). This definition of quality considers quality as subjective meaning it is determined by the customer through his/her perceptions. This is also supported by the view of Muffatto & Panizzolo, (1995, p.156), who believe that the most accepted definition of quality is, defining quality as the extent to which a product and/or service meets and/or exceeds customer's expectation.

The relevance of this definition to our study is that quality is more important to the customer and this therefore means that manufacturer or service provider must consider the needs, wants and desires of customers in order to design products and services that satisfy them. This makes it possible for us to identify factors of service quality which are important to customers and not those that are merely based on management's judgments.

2.2.4 Service Quality Concept

Service quality is defined as the overall assessment of a service by the customer (Eshghi et al., 2008, p.121). Ghylin et al., (2008, p.76) points out that, by defining service quality, companies will be able to deliver services with higher quality level presumably resulting in increased customer satisfaction. Understanding service quality must involve acknowledging the characteristics of service which are intangibility, heterogeneity and inseparability, (Parasuraman et al., 1985, p.42); (Ladhari, 2008, p.172). In that way, service quality would be easily measured.

In this study, service quality can be defined as the difference between customer's expectation for service performance prior to the service encounter and their perception of the service received. Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation (Asubonteng et al., (1996, p.64). Expectation is viewed in service quality literature as desires or wants of customer i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988, p.17). Perceived service is the outcome of the customer's view of the service dimensions, which are both technical and functional in nature (Gronroos, 1984, p.39).

2.2.5 Customer Satisfaction

Customer satisfaction is conceptualized as been transaction-specific meaning it is based on the customer's experience on a particular service encounter, (Cronin & Taylor, 1992) and also some think customer satisfaction is cumulative based on the overall evaluation of service experience (Jones & Suh, 2000). These highlight the fact that customer satisfaction is based on experience with service provider and also the outcome of service. Customer satisfaction is considered as an attitude, Yi, (1990). In the case of TTCL, there is some relationship between the customer and the service provider and customer satisfaction will be based on the evaluation of several interactions between both parties.

Therefore we will consider satisfaction as a part of overall customer attitudes towards the service provider that makes up a number of measures (Levesque et

McDougall, 1996, p.14). Organizations that consistently satisfy their customers enjoy higher retention levels and greater profitability due to increased customers' loyalty, Wicks & Roethlein, (2009, p.83). This is why it is vital to keep customers satisfied and this can be done in different ways and one way is by trying to know their expectations and perceptions of services offered by service providers. In this way, service quality could be assessed and thereby evaluating customer satisfaction.

In our study, we use customers to evaluate service quality by considering several important quality attributes in TTCL and we think firms must take improvement actions on the attributes that have a lower satisfaction level. This means customer satisfaction will be considered on specific dimensions of service quality in order to identify which aspects customers are satisfied with.

2.3 Theoretical Analysis

2.3.1 Service Quality Models

As stated earlier service quality has been defined differently by different people and there is no consensus as to what the actual definition is. We have adopted the definition by Parasuraman et al., (1988, p.5), which defines service quality as the discrepancy between a customers' expectation of a service and the customers' perception of the service offering. Measuring service quality has been one of the most recurrent topics in management literature, Parasuraman et al., (1988), Gronroos, (1984), Cronin et al., (1992). This is because of the need to develop valid instruments for the systematic evaluation of firms' performance from the customer point of view; and the association between perceived service quality and other key organizational outcomes, Cronin et al., (2010, p.93), which has led to the

development of models for measuring service quality. Gilbert et al., (2004, p.372-273) reviewed the various ways service quality can be measured. They include;

- i. The expectancy-disconfirmation approach which is associated with the identifying of customer expectation versus what they actually experienced. It focuses on the comparison of the service performance with the customer's expectations. The customer's expectations could be assessed after the service encounter by asking him/her to recall them.
- ii. Performance-only approach merely assesses service quality by merely asking customers about their level of satisfaction with various service features following a service encounter.
- iii. Technical and functional dichotomy approaches identify two service components that lead to customer satisfaction namely, the technical quality of the product which is based on product characteristics such as durability, security, physical features while functional quality is concerned with the relationships between service provider and customer such as courtesy, speed of delivery, helpfulness.
- iv. Service quality versus service satisfaction approach which mainly focuses on two service components that are interrelated; the transition-specific assessment which evaluates specific features of quality and the overall assessment which evaluates overall quality. This approach links perceived quality at the time of the service encounter or immediately after it and overall satisfaction with the service. Perceived quality is based on attributes of the service over which the company has control and it is a measure of the customer's assessments of the service's value without comparison to

customer's expectation.

- v. Attribute importance approach focuses on the relative weight on the importance the customer places on attributes found to be linked with service satisfaction.
- vi. Parasuraman et al., 1985, (p.41-50) developed a conceptual model of service quality where they identified five gaps that could impact the customer's evaluation of service quality in four different industries (retail banking, credit card, securities brokerage and product repair and maintenance).

These gaps were;

i) Gap 1: Customer expectation - management perception gap

Service firms may not always understand what features a service must have in order to meet customer needs and what levels of performance on those features are needed to bring deliver high quality service. This results to affecting the way customers evaluate service quality.

ii) Gap 2: Management perception - service quality specification gap

This gap arises when the company identifies what the customers want but the means to deliver to expectation does not exist. Some factors that affect this gap could be resource constraints, market conditions and management indifference. These could affect service quality perception of the customer.

iii) Gap 3: Service quality specifications – service delivery gap

Companies could have guidelines for performing service well and treating customers correctly but these do not mean high service quality performance is assured.

Employees play an important role in assuring good service quality perception and their performance cannot be standardized. This affects the delivery of service which has an impact on the way customers perceive service quality.

iv) Gap 4: Service delivery – external communications gap

External communications can affect not only customer expectations of service but also customer perceptions of the delivered service. Companies can neglect to inform customers of special efforts to assure quality that are not visible to them and this could influence service quality perceptions by customers.

v) Gap 5: Expected Service – perceived service gap

From their study, it showed that the key to ensuring good service quality is meeting or exceeding what customers expect from the service and that judgment of high and low service quality depend on how customers perceive the actual performance in the context of what they expected. Parasuraman et al., (1988), later developed the SERVQUAL model which is a mult item scale developed to assess customer perceptions of service quality in service and retail businesses. The scale decomposes the notion of service quality into five constructs as follows: Tangibles, Reliability, Responsiveness, Assurance and empathy. It bases on capturing the gap between customers expectations and experience which could be negative or positive if the expectation is higher than experience or expectation is less than or equal to experience respectively.

The SERVPERF model developed by Cronin & Taylor, (1992), was derived from the SERVQUAL model by dropping the expectations and measuring service quality

perceptions just by evaluating the customer's the overall feeling towards the service.

In their study, they identified four important equations:

$$\text{SERVQUAL} = \text{Performance} - \text{Expectations}$$

$$\text{Weighted SERVQUAL} = \text{importance} \times (\text{performance} - \text{expectations})$$

$$\text{SERVPERF} = \text{performance}$$

$$\text{Weighted SERFPERF} = \text{importance} \times (\text{performance})$$

Implicitly the SERVPERF model assesses customers experience based on the same attributes as the SERVQUAL and conforms more closely on the implications of satisfaction and attitude literature, Cronin et al., (1992 p.64). Later, Teas, (1993, p.23) developed the evaluated performance model (EP) in order to overcome some of the problems associated with the gap in conceptualization of service quality (Grönroos, 1984; Parasuraman et al., 1985, 1988). This model measures the gap between perceived performance and the ideal amount of a feature not customers expectation. He argues that an examination indicates that the P-E (perception – expectation) framework is of questionable validity because of conceptual and definitional problems involving the conceptual definition of expectations, theoretical justification of the expectations component of the P-E framework, and measurement validity of the expectation. He then revised expectation measures specified in the published service quality literature to ideal amounts of the service attributes (Teas,1993, p.18)

Brady & Cronin, (2001), proposed a multidimensional and hierarchical construct, in which service quality is explained by three primary dimensions; interaction quality,

physical environment quality and outcome quality. Each of these dimensions consists of three corresponding sub-dimensions. Interaction quality made up of attitude, behavior and expertise; physical environment quality consisting of ambient conditions, design and social factors while the outcome quality consists of waiting time, tangibles and valence.

According to these authors, hierarchical and multidimensional model improves the understanding of three basic issues about service quality:

- a) What defines service quality perceptions
- b) How service quality perceptions are formed
- c) How important it is where the service experience takes place and this framework can help managers as they try to improve customers' service experiences Brady & Cronin, (2001, p.44). Saravanan & Rao, (2007, p.440), outlined six critical factors that customer-perceived service quality is measured from after extensively reviewing literature and they include;
 - i. Human aspects of service delivery (reliability, responsiveness, assurance, empathy)
 - ii. Core service (content, features)
 - iii. Social responsibility (improving corporate image)
 - iv. Systematization of service delivery (processes, procedures, systems and technology)
 - v. Tangibles of service (equipments, machinery, signage, employee appearance)
 - vi. Service marketing

From their study, they found out that these factors all lead to improved perceived service quality, customer satisfaction and loyalty from the customer's perspective.

According to Brady & Cronin, (2001, p.36), based on various studies, service quality is defined by either or all of a customer's perception regarding 1) an organisations' technical and functional quality; 2) the service product, service delivery and service environment; or 3) the reliability, responsiveness, empathy, assurances, and tangibles associated with a service experience. Mittal and Lassar's SERVQUAL-P model reduces the original five dimensions down to four; Reliability, Responsiveness, Personalization and Tangibles. Importantly, SERVQUAL-P includes the Personalization dimension, which refers to the social content of interaction between service employees and their customers (Bougoure & Lee, 2009, p.73)

2.3.2 The Development and Evolution of the SERVQUAL Model

"Parasuraman et al. (1985) identified 97 attributes which were found to have an impact on service quality. These 97 attributes were the criteria that are important in assessing customer's expectations and perceptions on delivered service" (Kumar et al., 2009, p.214). These attributes were categorized into ten dimensions (Parasuraman et al., 1985) and later subjected the proposed 97 item instruments for assessing service quality through two stages in order to purify the instruments and select those with significant influences (Parasuraman et al., 1988, p.13).

The first purification stage came up with ten dimensions for assessing service quality which were; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding, knowing, customers, and

access. They went into the second purification stage and in this stage they concentrated on condensing scale dimensionality and reliability. They further reduced the ten dimensions to five which were;

- i. Tangibility: physical facilities, equipment, and appearance of personnel.
- ii. Reliability: ability to perform the promised service dependably and accurately.
- iii. Responsiveness: willingness to help customers and provide prompt service.
- iv. Assurance: knowledge and courtesy of employees and their ability to inspire trust and confidence.
- v. Empathy: caring individualized attention the firm provides to its customers.

2.3.3 Functioning of the SERVQUAL

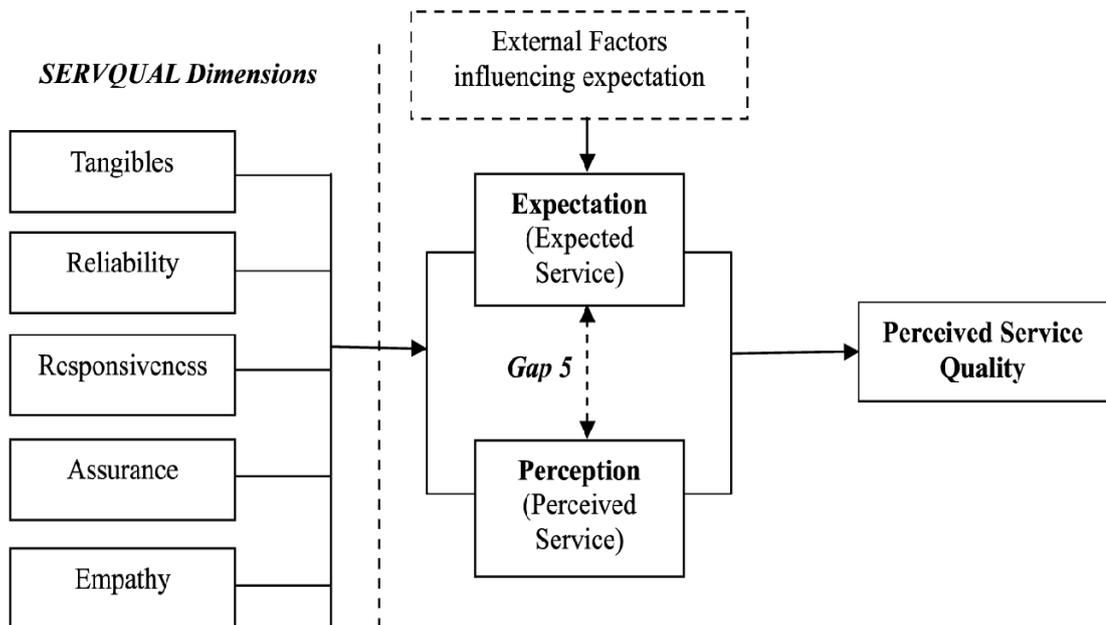


Figure 2.1: Measuring Service Quality Using SERVQUAL Model

Source: Kumar et al., (2009)

SERVQUAL represents service quality as the discrepancy between a customer's expectations for a service offering and the customer's perceptions of the service received, requiring respondents to answer questions about both their expectations and their perceptions Parasuraman et al., (1988). The use of perceived as opposed to actual service received makes the SERVQUAL measure an attitude measure that is related to, but not the same as, satisfaction (Parasuraman et. al., 1988). The difference between expectations and perceptions is called the gap which is the determinant of customers' perception of service quality as shown on Figure 2.1.

2.3.4 Criticisms of SERVQUAL Model

Notwithstanding its growing popularity and widespread application, SERVQUAL has been subjected to a number of theoretical and operational criticisms which are detailed below:

2.3.4.1 Theoretical Criticisms

- i. Paradigmatic objections: SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; and SERVQUAL fails to draw on established economic, statistical and psychological theory.
- ii. Gaps model: there is little evidence that customers assess service quality in terms of P – E gaps.
- iii. Process orientation: SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter.
- iv. Dimensionality: SERVQUAL's five dimensions are not universal; the number of dimensions comprising service quality is contextualized; items

do not always load on to the factors which one would a priori expect; and there is a high degree of intercorrelation between the five dimensions (Reliability, assurance, tangible, empathy and responsiveness).

2.3.4.2 Operational Criticisms

- i. Expectations: the term expectation is polysemic meaning it has different definitions; customers use standards other than expectations to evaluate service quality; and SERVQUAL fails to measure absolute service quality expectations.
- ii. Item composition: four or five items cannot capture the variability within each service quality dimension.
- iii. Moments of truth (MOT): customers' assessments of service quality may vary from MOT to MOT.
- iv. Polarity: the reversed polarity of items in the scale causes respondent error.
- v. Scale points: the seven-point Likert scale is flawed.
- vi. Two administrations: two administrations of the instrument (expectations and perceptions) cause boredom and confusion.
- vii. Variance extracted: the over SERVQUAL score accounts for a disappointing proportion of item variances.

2.3.5 Customers' Expectations Compared to Perceptions

Gronroos, (1982); Parasuraman et al., (1985) have proposed that customer's perception of service quality is based on the comparison of their expectations (what they feel service providers should offer) with their perceptions of the performance of

the service provider. Parasuraman et al., (1988, p.17) point out that expectation is viewed differently in both satisfaction literature and service quality literature. In satisfaction literature, expectations are considered as ‘predictions’ by customers about what is likely to happen during a particular transaction while in service quality literature, they are viewed as desires or wants of customers, that is, what they feels a service provider ‘should’ offer rather than ‘would’ offer.

For this study, expectations define as desires or wants of customers because this allows us to know exactly what service providers show offer and this is based on based past experience and information received (Douglas & Connor, 2003, p.167). It is important to understand and measure customer’s expectations in order to identify any gaps in delivering services with quality that could ensure satisfaction, Negi, (2009). Perceptions of customers are based solely on what they receive from the service encounter (Douglas & Connor, 2003, p.167).

The study is mainly based on this discrepancy of expected service and perceived service from the customer’s perspective. This is in order to obtain a better knowledge of how customers perceive service quality in TTCL. We are not focusing on the 1st four gaps because they are mainly focused on the company’s perspective even though they have an impact on the way customers perceive service quality in TTCL and thus help in closing the gap which arises from the difference between customer’s expectation and perception of service quality dimensions.

Parasuraman et al., (1985, p.47) identified 10 determinants used in evaluating service quality; reliability, responsiveness, competence, access, courtesy, communication,

credibility, security, understanding the customer, and tangibles. Most of these determinants of service quality require the customer to have had some experience in order to evaluate their level of service quality ranging from ideal quality to completely unacceptable quality. They further linked service quality to satisfaction by pointing out that when expected service is greater than perceived service, perceived quality is less than satisfactory and will tend towards totally unacceptable quality; when expected service equals perceived service, and perceived quality is satisfactory; when expected service is less than perceived service, perceived quality is more than satisfactory and will tend towards ideal quality (Parasuraman et al., 1985, p.48).

2.3.6 Factors that Affect Customer Satisfaction

Matzler et al., (2002), classify factors that affect customers' satisfaction into three factor structures;

- i. Basic factors: these are the minimum requirements that are required in a product to prevent the customer from being dissatisfied. They do not necessarily cause satisfaction but lead to dissatisfaction if absent. These are those factors that lead to the fulfillment of the basic requirement for which the product is produced. These constitute the basic attributes of the product or service. They thus have a low impact on satisfaction even though they are a prerequisite for satisfaction. In a nutshell competence and accessibility
- ii. Performance factors: these are the factors that lead to satisfaction if fulfilled and can lead to dissatisfaction if not fulfilled. These include reliability and friendliness.

- iii. Excitement factors: these are factors that increase customers' satisfaction if fulfilled but does not cause dissatisfaction if not fulfilled which include project management.

2.3.7 Relationship Between Service Quality and Customer Satisfaction

According to Sureshchandar et al., (2002, p. 363), customer satisfaction should be seen as a multi dimensional construct just as service quality meaning it can occur at multi levels in an organization and that it should be operational zed along the same factors on which service quality is operational zed. Parasuraman et al., (1985) suggested that when perceived service quality is high, then it will lead to increase in customer satisfaction. He supports that fact that service quality leads to customer satisfaction and this is in line with Saravana & Rao, (2007, p.436) and Lee et al., (2000, p.226) who acknowledge that customer satisfaction is based upon the level of service quality provided by the service provider.

Fen & Lian, (2005, p.59-60) found that both service quality and customer satisfaction have a positive effect on customer's re-patronage intentions showing that both service quality and customer satisfaction have a crucial role to play in the success and survival of any business in the competitive market. This study proved a close link between service quality and customer satisfaction. Su et al., (2002, p.372) carried a study to find out the link between service quality and customer satisfaction, from their study, they came up with the conclusion that, there exist a great dependency between both constructs and that an increase in one is likely to lead to an increase in another. Also, they pointed out that service quality is more abstract

than customer satisfaction because, customer satisfaction reflects the customer's feelings about many encounters and experiences with service firm while service quality may be affected by perceptions of value (benefit relative to cost) or by the experiences of others that may not be as good.

2.3.8 Customer Service Communication

Customer service is a large concept related to various areas such as marketing, economy, management, psychology, and then spreads to communication research (Ford, 1994). Though service interactions are an integral part in our lives, they have not been retained much attention in communication research (Ford, 2001). Overall, many researchers on customer service encounter attempted to propose various definitions to understand the concept of customer service communication. Customer service encounter is “a communication process in which an organizational representative presents products or professional assistance in exchange for another individual's money or cooperation” (Ford, 1999:p.341).

Besides, communication of service encounters between customers. (Solomon et al., 1995). Service encounter is also defined as “a personal (and social) interaction between service provider and service customer” in which human behavior is assembled (John, 1996:61). He added, a service encounter is a social encounter in which interactions create the chance for customers and service providers to establish relationship or assess the service quality (John, 1996). Thus, it is necessary to have the mutual understanding of both individuals in the service encounters context. Shostack defined service encounter as “a period of time during which a consumer

directly interacts with the service” (Shostack, 1985:243). According to Durvasula, this definition is more broadly and implies several factors such as "personnel and physical facilities" that related to a service process (Durvasula et al., 2005:2). and employees is a human dyadic interaction and is interdependent each parties.

Customer service encounter have different outcomes that are emphasized by service organizations, for instance, customer satisfaction, customer loyalty, customer relationship or service quality, etc. Building relationship with customers was chosen as the focused issue for this research. In customer service communication, building relationship with customer is one of the primary goals of service organizations, in particular service organizations as Koermer stated: “building relationships with customers is an important part of conducting business” (Koermer, 2005:247). In building relationship with customer, service encounters are considered as an early sign to predict the development or discontinuation of a provider-customer relationship (Bolton, 1998). Koermer believed also that “one could ascertain that the communicative interplay between providers and customers plays a significant role in fostering relational development” (Koermer, 2005:248). Overall, effective customer service encounter is the fundamental part for organization's success and customer relationship retention (Julian & Ramaseshan, 1994).

From different definitions and perspectives on the customer-employee relationships by researchers in customer service, we can find that customer and service provider are the two important elements involving in an interaction of service encounter. The

authors believed that customer in a service encounter would be enjoyable and satisfying through contacting with helpful, experienced and pleasant service employee. By doing so, customer will stay loyalty and organization can retain relationship with customer. In reality, customer is a critical factor for activities and existence of an organization, in particular organizations that provide service to customers.

Deng et al. (2010) argued that how to satisfy and maintain relationship with customers in order to have customer loyalty is the essential survival of profit organizations. Therefore, it is needed for organizations to understand the connection between customers' satisfaction and their durability of relationship with service provider (Bolton, 1998). Furthermore, organizations need to have policies for the "customer gratitude" (Palmatier et al., 2009) to have long-term relationship with customers.

2.3.9 Feedback in Customer Service Communication

Feedback plays a crucial role in communication. Feedback makes sense and effective for communication. In the context of service, feedback is a channel where customers can express their needs, perspectives or judgments about organizations' activities and performances. Thus, feedback allows organizations to assess the effectiveness of their service quality and customers' satisfaction. According to Crowell et al, "feedback may serve more as a consequence than as an antecedent in the control of behavior" (Crowell et al.,1988:66).

Sources of feedback can be diverse but customers would be the best reference and primary source of information for organizations' feedback because of frequent and direct interactions with service providers. From customers, organizations can learn new and interesting information that can help them to improve their service more successful and productive. In doing so, the process of improvement of these organizations may occur faster than those do not acquire any feedback from customers (Voss et al., 2004). Thus, it is critical for organizations to encourage feedback from customers.

Feedback that organizations received can be positive or negative. Negative feedback is a sign of customers' dissatisfaction and indicates that organization's service does not meet customer's needs. Meanwhile positive feedback confirms the good service quality of organizations that allow them to reinforce relationship with customers. Voss et al. believed that "customer feedback is an often-overlooked factor in explaining the relationship between service quality and customer satisfaction" (Voss et al., 2004:212).

2.4 Empirical Analysis

According to Negi, (2009, p.33), the idea of linking service quality and customer satisfaction has existed for a long time. He carried a study to investigate the relevance of customer-perceived service quality in determining customer overall satisfaction in the context of mobile services (telecommunication) and he found out that reliability and network quality (an additional factor) are the key factors in evaluating overall service quality but also highlighted that tangibles, empathy and

assurance should not be neglected when evaluating perceived service quality and customer satisfaction.

This study was based only on a specific service product in telecom industry (mobile service) and we think it is very important to identify and evaluate those factors which contribute significantly to determination of customer-perceived service quality and overall satisfaction. Researchers have yet to come to conclusion on the antecedents to service quality and satisfaction. A study carried out by Bitner (1990) on 145 tourists in international airport suggests satisfaction as antecedent to service quality (satisfaction-service quality). On the other hand, there are many other researcher who concluded that service quality is antecedent to customer satisfaction (Ahmad and Kamal,2002;Cronin and Taylor,1992;Yavas et al.,1997). Kumar et al, (2009) used the SERVQUAL model in a research to determine the relative importance of critical factors in delivering service quality of banks in Malaysia (Kumar et al., 2009, p.211).

In this article they modified the SERVQUAL model and considered six dimensions; tangibility, reliability, responsiveness, assurance empathy and convenience and these consist of 26 statements. They considered convenience because it is an important determinant of satisfaction for banking customers in Malaysia and contributes very highly in the customers' appreciation of the quality of services offered by the bank (Kumar et al, 2009, p. 214). The respondents are asked questions based on the 26 statements and they seek to know about their expectations and experience. They carried this study on banking customers regardless neither of which bank you use nor

how you do your transactions, could be domestically, internationally among others (Kumar et al, 2009, p.215).

After they carried out their study they realized that there are four critical factors; tangibility, reliability, convenience and competence. These variables had significant differences between expectations and perceptions with tangibility having the smallest gap and convenience has the largest gap. They end up with the recommendation that banks need to be more competent in delivering their services and fulfilling the assurance of customers and providing the banking services more conveniently (Kumar et al, 2009, p.211). Curry et al., (2002, p.197) in an attempt to assess the quality of physiotherapy services used the SERVQUAL model and three physiotherapy services in Dundee, Scotland.

They considered the ten original criteria for evaluation and combined them into five; tangibles, reliability, responsiveness, assurance (including competence, courtesy, credibility, and security) and empathy (including access, communication, and understanding). The quality gap is measured with these five dimensions with the application of an adaptable 22 item survey instruments. The survey involves questions relating to customers expectations and perceptions. They sought to measure five gaps developed by Parasuraman et al., (1985).

They found out that the services were highly appreciated by customers even though they realized that the perception gaps were slightly negative and the services could be improved. Their studies proved that assurance and empathy were very important in their research. In spite of the criticisms of the SERVQUAL model they confirm its

potential applicability in measuring service quality in the public sector to determine consumer priorities and measure performance. Badri et al., (2003) made an assessment and application of the SERVQUAL model in measuring service quality in information technology centre. For their research gap they used a larger sample which also differs from other studies that addressed the dimensionality problem of the IT centre-adapted SERVQUAL instruments. The second gap was to identify the gaps in service quality in the IT centres in the three institutions of higher education in the United Arab Emirates. Their findings showed that there was an inadequacy of dimensions for a perfect fit.

On the other hand, based on their feedback, respondents felt that SERVQUAL is a useful indicator for IT center service quality in institutions of higher education. SERVQUAL identified gaps in service quality for the three institutions. Empirical results of SERVQUAL scores for the IT centers in the three institutions are also presented. Negi, (2009, p.31-38) used the model to determine customer satisfaction through perceived quality in the Telecommunication industry and found out that reliability, empathy and network quality proved to significantly effective in contributing to overall service quality and overall customer satisfaction with mobile services. Akan, (1995, p.39-43) used the SERVQUAL model in the four stars hotels and found out that competence and courtesy combined with assurance were most important attributes influencing the perception of quality.

In a nutshell, try to apply this instrument in the context of TTCL and find if its dimensions do measure service quality and customer satisfaction, hence are adequate

for a perfect measure of the constructs. This will also enable to identify gaps in service quality and find out what dimensions consumers are satisfied with. The study by Urio was on “factors influencing customers to move from TTCL to other mobile companies “that was done in the year 2011 at Mzumbe university. The study took TTCL as case study. where the findings was that, high price charged by TTCL, lack promotion campaigns and lack of innovative products and services which can retain customer not to move to other mobile companies.

While this study intend to assess the service quality and customer satisfaction using SEVQUAL model within a company. These differences are expected to influence the result of the study, although they may be somehow related. Urio study look at high price charged by TTCL, poor innovative product and promotion campaign still lack critical analysis on key dimensions of service quality that lead to customer satisfaction that TTCL should focus.

2.5 Research Gap

After carefully analyzing various research studies conducted so far using the SERVQUAL model, has been realized that many research works have been carried in different service industries such as education, restaurants, banking, health care, etc, but limited empirical study has been conducted using the SERVQUAL model to assess service quality in telecommunication industry. Researcher considers telecommunication industry as part of the service industry providing voice services and data services.

There are some of research which find out the relationship between perceived service quality, customer satisfaction and customer loyalty and it was proven that perceived service quality had a positive relationship with customer satisfaction and this supports the argument of linking service quality and customer satisfaction. They did not use the SERVQUAL model but rather the performance to assess service quality. Therefore using the SERVQUAL model would be a contribution to existing research on TTCL. This is the research gap and in order to fill the gap, try to measure service quality and customer satisfaction using the SERVQUAL model from the customer's perspective in order to know their perceptions.

2.6 Conceptual Framework

The conceptual framework (Figure 2.2) explains the underlying process, which is applied to guide this study.

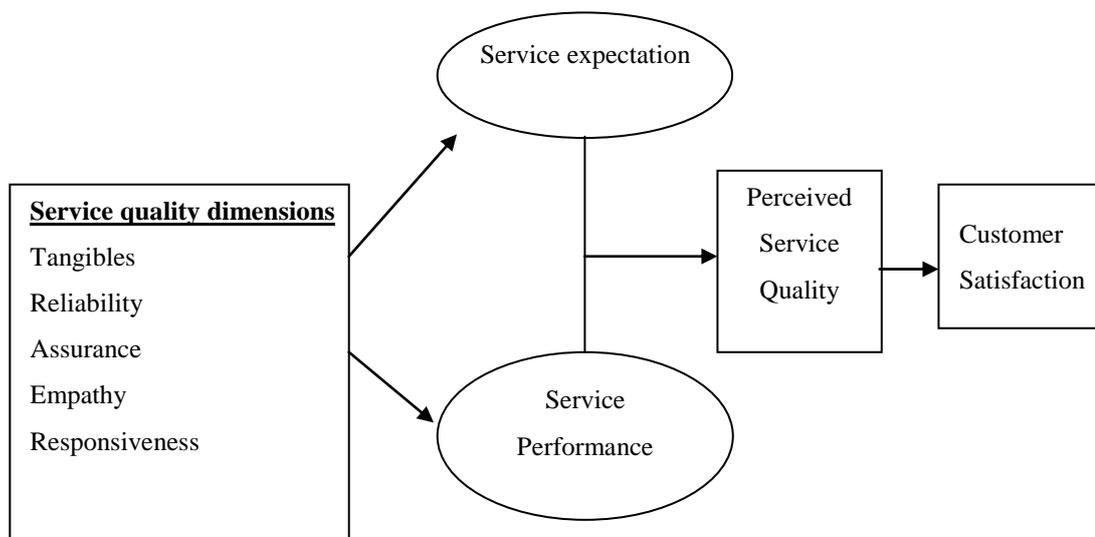


Figure 2.2: Conceptual Framework

Source: From field data (2012)

2.7 Theoretical Framework

As shown in Figure 2.2, the SERVQUAL model is suitable for measuring service quality and customer satisfaction in TTCL offering telecommunication. The same dimensions used to measure both service quality and customer satisfaction because it assumed both are related (Parasuraman et al., 1988) and customer satisfaction is an antecedent of service quality (Negi, 2009). The SERVQUAL approach integrates the two constructs and suggests that perceived service quality is an antecedent to satisfaction (Negi, 2009, p.33). Therefore, in this research, the initial 20 items of SERVQUAL model (in the attached appendix) are modified to measure the perceived service quality and customer satisfaction in TTCL. The model is a summary for the 20-items and researcher want to find out the overall service quality perceived by customers and which dimensions customers are satisfied with.

CHAPTER THREE

3.1 RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives a brief description on how this research conducted. This include research design, research approach, sampling design, variables and measurement procedures, method of data collection and data analysis.

3.2 Research Design

Research design is a plan or strategies to use to achieve the expected results. There are different types of research design depending on the nature of a particular study. This includes case study design survey study and experimental design study (Cooper et al, 1998). This study carried out using a Case Study Design. Case study involved when researchers want to gain a rich understanding of the context in the research. This method provides flexibility because it allows the use of different data collection methods such as interviews, questionnaires, observations and documentary review.(Saunders et al.,2009) Also, it is depth and breadth study of variables and maintains a unitary nature of the unity of inquiry over a range of variables. It allows the use of triangulation which is important in the process of validation data.

3.3 Area of Study

The survey study conducted in Dare s salaam because all required sample space represented here. Performing this study in Dar es salaam saved money that could have been spent if other distant areas were to be involved.

3.4 Sampling Design and Procedures

The sampling procedure involves was non probabilistic sampling because the research is Case study design. According to Saunder (2009) non probability sampling (or non-random sampling) provides a range of alternative techniques to select samples based on your subjective judgment to answer research questions and meet the objectives. Non-probability sampling techniques also provide researcher with the opportunity to select the sample purposively and to reach difficult-to-identify members of the population. The researcher followed appropriate procedure to avoid errors that may occur and cost the whole study.

3.5 Research Approach

According to Saunders et al., (2009), there are two main research approaches: deduction and induction. With deduction a theory and hypothesis (or hypotheses) are developed and a research strategy designed to test the hypothesis. With induction, data are collected and a theory developed as a result of the data analysis. At this study researcher used induction approach because there was no hypothesis testing and data was qualitative in nature.

3.6 Variables and Measurement Procedures

There are two types of variables which are dependent and independent variables. A dependent variable changes in response to changes in other variables. An independent variable causes changes in a dependent variable Saunder (2009). For this study dependent variables was customer satisfaction where independent variables was service quality dimensions where any change to any dimension

resulted into change in satisfaction level.

The SERVQUAL model is used to assess customers' expectations and perceptions regarding service quality in TTCL. Both expectations and perceptions are measured using a 5-point scale to rate their level of agreement or disagreement (1- strongly disagree and 5- strongly agree), on which the higher numbers indicate higher level of expectation or perceptions. Perceptions are based on the actual service they receive in TTCL while expectations are based on past experiences and information received about TTCL. Service quality scores are the difference between the perception and expectation scores (P-E) with a possible range of values from -4 to +4 (-4 stands for very dissatisfied and +4 means very satisfied). The quality score measures the service gap or the degree to which expectations exceed perceptions. The more positive the P-E scores, the higher the level of service quality leading to a higher level of customer satisfaction. Satisfaction and service quality are both treated together as functions of a customer's perceptions and expectations. In most cases, when expectation and perception are equal, service quality is satisfactory.

In this study, we use the disconfirmation paradigm which is based on the discrepancy theories. According to this paradigm, consumer's satisfaction judgments are the result of consumer's perceptions of the difference between their perception of performance and their expectations. Positive disconfirmation leads to increased satisfaction while negative disconfirmation leads to decreased satisfaction. This theory has been used to develop questionnaire.

3.7 Method of Data Collection

Both primary and secondary data sources used to answer research questions. Primary data was mainly obtained through the administered questionnaires. Questionnaire as a general term to include all techniques of data collection in which each person asked to respond to the same set of questions in a predetermined order (deVaus 2002). Researcher used self administered questionnaires where it administered electronically using e mail and posted to respondents who return them by mail after completion. Secondary data sources like past studies and archives was accessed from various databases like, OUT database, TTCL in order to obtain some reliable literature and empirical findings that applied in order to have a better understanding the service quality construct and how the SERVQUAL model can be used to measure it.

3.8 Data Collection Tools

3.8.1 Questionnaires

The SERVQUAL 5 dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy) were used which are subdivided into 20 statements, which were directed to measuring service quality in TTCL. As stipulated by the SERVQUAL model, the statements are divided into two parts, the first part seeks to measure the expectations of customers and the second part seeks to measure their perceptions. There was also a part which measure satisfaction level for the purpose of knowing factors that hinders satisfaction, the measures to be taken to improve customer satisfaction and the last party which is demographic part that provides general information about respondents on age, gender, and average monthly expenditures.

This was to enable to get a better understanding of the type of respondents and relate it to how they perceive service quality in TTCL. The SERVQUAL model was used as the basis for the structured questionnaire because it provides information in research questions in which it trying to show how customers perceive service quality in TTCL by assessing the difference between the expectation and perception of services experienced by customers in TTCL. This enabled to know how perceived service quality by customers and identify which items in the SERVQUAL dimensions customers are satisfied with. Also factors that hinder customer satisfaction in TTCL and what should be done to improve customer satisfaction.

3.8.2 Administering of Questionnaires

As mentioned earlier in this study, a convenience sampling technique has used and had 175 questionnaires to administer which it took 7 days to administer these 175 questionnaires but unfortunately I only received 151 questionnaires that were complete. This was because some people got the questionnaires and went away with them and others did not completely answer the questions and so considered them invalid.

3.9 Data Processing and Analysis

Data analysis refers to examining what has been collected in survey or experiment and making deductions and inferences. Furthermore, data analysis is computation of certain measures along with searching for patterns of relationship that exist among data-groups. Whereas, data processing consists of a number of closely related operations: editing, classification, coding, and tabulation. Data collected from

respondents and documents was processed, that was editing, classification, coding and tabulation. All completed questionnaires/schedules thoroughly checked for completeness, accuracy and uniformity. The raw data obtained from field was prepared for analysis by transforming all of them into codes and entering into spreadsheet packages. The analysis based on quantitative data to be collected and some extent the qualitative information from questionnaires.

3.9.1 Coding

The SERVQUAL dimensions/items are main variables used in this study and coded these dimensions/items in order to ease analysis of data collected. Also, demographic information was collected from respondents and these variables have to be coded as well for analysis. Here is the coding of the variables for analysis.

SERVQUAL Dimensions/Items

Tangibles (TA)

TA1 TTCLs have up-to-date equipments.

TA2 Physical facilities are virtually appealing.

TA3 Employees are well dressed and appear neat.

TA4 Physical environment of the TTCL is clean.

Reliability (RL)

RL1 When they promise to do something by a certain time, they do it.

RL2 When customer has a problem, they should show sincere interest in solving the problem.

RL3 TTCLs perform the service right the first time.

RL4 They provide their services at the time they promise to do so.

RL5 TTCLs keep their records accurately.

Responsiveness (RN)

RN1 Employees make information easily obtainable by customers.

RN2 Employees give prompt services to customers.

RN3 Employees are always willing to help customers.

RN4 Employees are never too busy to respond to customers requests.

Assurance (AS)

AS1 The behavior of employees instill confidence in customers

AS2 Customers feel safe in their transactions with the employees

AS3 Employees are polite to customers.

AS4 Employees of TTCLs have knowledge to answer customers' questions.

Empathy (EM)

EM1 TTCLs give customers individual attention.

EM2 Operating hours of TTCLs is convenient to customers.

EM3 Employees of TTCLs give customers personal service.

EM4 TTCLs have their customers' interest at heart.

EM5 Employees of TTCLs understand the specific needs of their customers.

Demographics (DM)

DM1 Gender (0=male, 1=female)

DM2 TTCL spending per month (0=0 to 5,000,000tshs, 1=5,000,000 to 15,000,000tshs, 2=15,000,000 to 25,000,000tshs, 3=above 25,000,000tshs)

3.9.2 Re-coding

TA- Average gap score for tangible items = $(TA1+TA2+TA3+TA4)/4$

RL- Average gap score for reliability items = $(RL1+RL2+RL3+RL4+RL5)/5$

RN- Average gap score for responsiveness items = $(RN1+RN2+RN3+RN4)/4$

AS- Average gap score for assurance items = $(AS1+AS2+AS3+AS4)/4$

EM- Average gap score for empathy items = $(EM1+EM2+EM3+EM4+EM5)/5$

OSQ- Overall service quality = $(TA+RL+RN+AS+EM)/5$

CHAPTER FOUR

4.0 DATA ANALYSIS AND PRESENTATIONS

4.1 Introduction

This chapter presents and discusses findings of data from the field on assessing customer satisfaction and service quality using SERVQUAL model in TTCL. The study was aimed at to determine overall service quality perceived by customer, service quality dimensions that brings satisfaction, factors hindering customer satisfaction in TTCL and to determine what should be done to improve customer satisfaction. Data analysis for this study was done in two steps, the preliminary analysis and the main analysis. For preliminary analysis which involves mainly descriptive statistics to summarize data, the demographic characteristics of the respondents were outlined in order to simplify the understanding of the data. The main analysis involved the gap score analysis whereby descriptive statistics were applied to summarize means of perceptions and expectations of customers. We calculate the perception minus expectation scores for each item and dimension in order to identify the service quality gaps.

4.2 Demographic Characteristics of the Respondents

The demographic profile of the respondents is described as follows; males were 46.4% while females were 53.6% slightly higher than males. TTCL spending per month shows that, 52.3% claimed that they spend between tshs 5,000,000 to 15,000,000 for TTCL services, followed by 25.8% who spend tshs 0 to 5,000,000, 17.2% spend tshs 15,000,000 to 25,000,000 and 4.7% spend above tshs 25, 000,000 TTCL services. This presented in the Figure4.1.

Table 4.1: Personal Profile of Respondents

Characteristics	Description	Percentage (%)
Gender	Male	46.4
	Female	53.6
TTCL spending per month (In Tshs)	0-5,000,000	25.8
	5000,000-15,000,000	52.3
	15,000,000-25,000,000	17.2
	Above 25,000,0000	4.7

Source: Field data (2012)

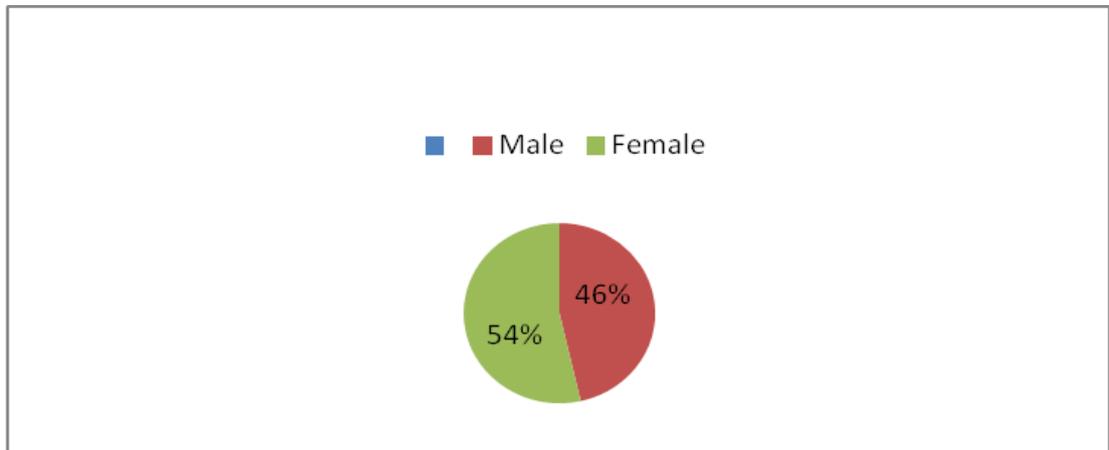


Figure 4.1: Gender of Respondents

Source: Field data

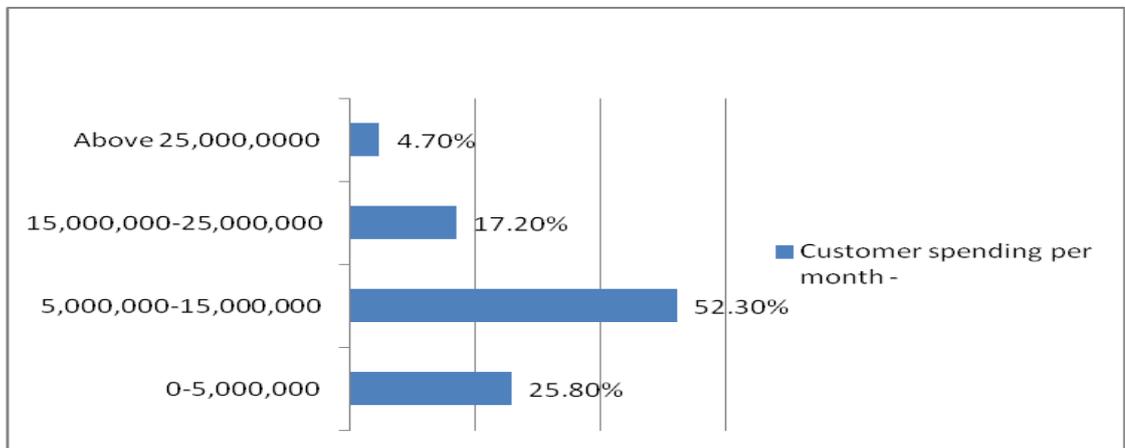


Figure 4.2: Customer Spending Per Month at TTCL

Source:Field data

4.3 The Overall Service Quality as Perceived by Customers in TTCL

Table 4.2: Summary of Customer's Expectations and Gap Scores

Dimension	Statement	Expectation Score in Percentage	Perception Score in Percentage	Gap Score in Percentage	Overall Gap Score
Tangibles	TA1	4	2	-2	
	TA2	5	3	-2	
	TA3	5	3	-2	
	TA4	4	3	-1	-7
Reliability	RL1	4	3	-1	
	RL2	4	2	-1	
	RL3	5	4	-1	
	RL4	3	1	-2	
	RL5	2	1	-1	-9
Responsiveness	RN1	4	2	-2	
	RN2	4	3	-1	
	RN3	5	5	0	
	RN4	5	5	0	-3
Assurance	AS1	4	3	-1	
	AS2	5	4	-1	
	AS3	4	2	-1	
	AS4	6	1	-5	-8
Empathy	EM1	5	4	-1	
	EM2	5	3	-2	
	EM3	5	1	-4	
	EM4	5	4	-1	
	EM5	5	4	-1	-9

Source: Field data (2012)

Expectations and perceptions were both measured using the 5-point likert scale whereby the higher numbers indicate higher level of expectation or perception. In general, customer expectation exceeded the perceived level of service shown by the perception scores. This resulted in a negative gap score (Perception – Expectation). According to Parasuraman et al., (1988, p.30) it is however common for customer's expectation to exceed the actual service perceived and this signifies that there is always need for improvement.

The items with the highest expectation scores were TTCLs have up-to-date equipments, physical facilities are virtually appealing, TTCLs perform the service right the first time, employees are always willing to help customers, and employees are never too busy to respond to customers requests, Customers feel safe in their transactions with the employees, employees of TTCLs have knowledge to answer customers' questions, TTCLs give customers individual attention, operating hours of TTCLs are convenient to customers, employees of TTCLs give customers personal service, TTCLs have their customers' interest at heart and employees of TTCLs understand the specific needs of their customers.

However, these scores are not very different from scores of other items and this implies generally, customers expect very high from TTCL. The items rated highest for actual service perceived were, TTCLs perform the service right the first time, employees are always willing to help customers, employees are never too busy to respond to customers requests, employees of TTCLs have knowledge to answer customers' questions, TTCLs give customers individual attention, TTCLs have their

customers' interest at heart and employees of TTCLs understand the specific needs of their customers.

There is no so much difference between the scores of perceptions but are generally lower than expectations. The gap scores are the difference between the perception and expectation scores, and these gap scores measure service quality and hence customer satisfaction. The more perceptions are close to expectations, the higher the perceived level of quality. The largest gaps scores were employees of TTCLs have knowledge to answer customers' questions and Employees of TTCLs give customers personal service.

Summarily, overall perceived service quality is low (-8.1) meaning the level of service they receive is lower than what they expect indicating there is no satisfaction. Parasuraman et al., (1985) suggested that when perceived service quality is high, then it will lead to increase in customer satisfaction. He supports the fact that service quality leads to customer satisfaction and this is in line with Saravana & Rao, (2007, p.436) and Lee et al., (2000, p.226) acknowledge that customer satisfaction is based upon the level of service quality provided by the service provider. This is a good ground for asserting whether customers are satisfied with service quality in TTCL or not since the average perception score is low. A higher perception also indicates higher satisfaction as service quality and satisfaction are positively related (Fen & Lian, 2005, p.59-60). This could be possibly because of either the under delivering of services to customers or the over promising of TTCL to customers on their services.

4.4 Service Quality Dimensions that Brings Satisfaction in TTCL

Table 4.3: Average Gap Score on Expectations and Perceptions

Dimension	Statement	Expectation Score in Percentage	Perception Score in Percentage	Gap Score in Percentage	Overall Gap Score	Average Gap Score
Tangibles	TA1	4	2	-2		
	TA2	5	3	-2		
	TA3	5	3	-2		
	TA4	4	3	-1	-7	-1.75
Reliability	RL1	4	3	-1		
	RL2	4	2	-1		
	RL3	5	4	-1		
	RL4	3	1	-2		
	RL5	2	1	-1	-9	-1.8
Responsiveness	RS1	4	2	-2		
	RS2	4	3	-1		
	RS3	5	5	0		
	RS4	5	5	0	-3	-0.75
Assurance	AS1	4	3	-1		
	AS2	5	4	-1		
	AS3	4	2	-1		
	AS4	5	1	-4	-8	-2
Empathy	EM1	5	4	-1		
	EM2	5	3	-2		
	EM3	5	1	-4		
	EM4	5	4	-1		
	EM5	5	4	-1	-9	-1.8
						-8.1

Source: Field data (2013)

The gap score analysis in table 4.2 enable us to find out how customers perceive

service quality in TTCL and try to identify what dimensions of service quality customers satisfied with. Also table 4.3 is the extension of table 4.2 which tried to show the average score for each service quality dimensions. According to Parasuraman et al., (1985, p.48) the higher (more positive) the perception (P) minus expectation (E) score, the higher the perceived service quality and thereby leading to a higher level of customer satisfaction. In this regard, the gap scores were calculated based on the difference between the customers' perceptions and expectations of services offered by TTCL.

In general, it was found that, customers' perceptions of service quality offered by TTCL did not meet their expectations (all gaps scores the dimensions are negative). Descriptions of dimensions reported as follows;

i) Responsiveness (RN)

Responsiveness obtained a gap score of (-3) with an average gap score of (-0.75).customers expect more in TTCL on Employees make information easily obtainable by customers, employees give prompt services to customers, employees are always willing to help customers and employees are never too busy to respond to customers requests.

ii) Tangibles (TA)

Average customers are unsatisfied with the level of services offered by TTCL.It was reported to have highest overall gap score which is (-7) and average gap score of (-1.75).Customers are not satisfied with TTCL services, they should have up-to-date equipments and physical facilities should virtually appealing, employees should be

well dressed and appear neat and physical environment of the TTCL should be clean.

iii) Empathy (EM)

It had gap score of (-9) with smaller average gap score of (-1.8). To this extent TTCL should give customers individual attention, operating hours of TTCLs should be convenient to customers, employees of TTCL should give customers personal service and employees of TTCLs should understand the specific needs of their customers.

iv) Reliability (RL)

Reliability obtained gap score of (-9) and it had an average of gap score of (1.8) which means that TTCL is expected to be more reliable to satisfy the customers in; when they promise to do something by a certain time, they do it, when customer has a problem, they should show sincere interest in solving the problem, TTCLs perform the service right the first time, should provide their services at the time they promise to do so and keep their records accurately.

v) Assurance (AS)

Assurance obtained (-8) gap score and average gap score of (-2). The findings reveal that customer are not satisfied with the behavior of employees instill confidence in customers, customers feel safe in their transactions with the employees, employees should be polite to customers and employees of TTCLs should have knowledge to answer customers' questions.

From results obtained from in Table 4.4, it is seen that customers perceive service

quality as poor in all dimensions meaning their expectations fall short of their experience in TTCL. In this regard, customers are not satisfied with any dimension of service quality. All the dimensions show a gap between expected service and perceived service and this means that TTCL need to make improvements in all dimensions in order to close gaps that could lead to increased customer satisfaction.

Table 4.4: Ranked Service Quality Dimensions and its Average Score

Ranking	Dimensions	Average scores
1	Responsiveness	-0.75
2	Tangibles	-1.75
3	Empathy	-1.8
4	Reliability	-1.8
5	Assurance	-2

Source: Field data (2012)

4.5 Factors Hindering Customer Satisfaction in TTCL

The respondents were asked on factors hindering customer satisfaction levels for different products and services provided by TTCL. 79.5% of the respondents said they were using TTCL or had used it before. The products and services under scrutiny were network coverage, voucher availability, flexibility, air time charges, phones/handset prices and customer care.

4.5.1 Network Coverage

Network coverage is one of the major causes of customer dissatisfaction among the TTCL customers. Majority of the respondents said network coverage is a major

cause of concern when moving away from the major cities and townships to small towns and rural areas.

Table 4.5: Network Coverage Satisfaction

Satisfaction Level	Frequency	Percent
NOT SATISFIED	98	50.5
SATISFIED	47	23.5
VERY SATISFIED	11	5.5

Source: Field data (2012)

This was pointed out by more than half of the respondents (50.5%). The most interesting thing is that for landlines, TTCL has the widest coverage in the country, reaching every district in the country and many rural areas. Moreover, other mobile operators in the country are using TTCL network towers to reach people in many rural areas but TTCL itself is still unavailable in many rural areas. 23.5% of the respondents said they were satisfied with TTCL network coverage and 5.5% were very satisfied. The following figure shows the satisfaction level in network coverage;

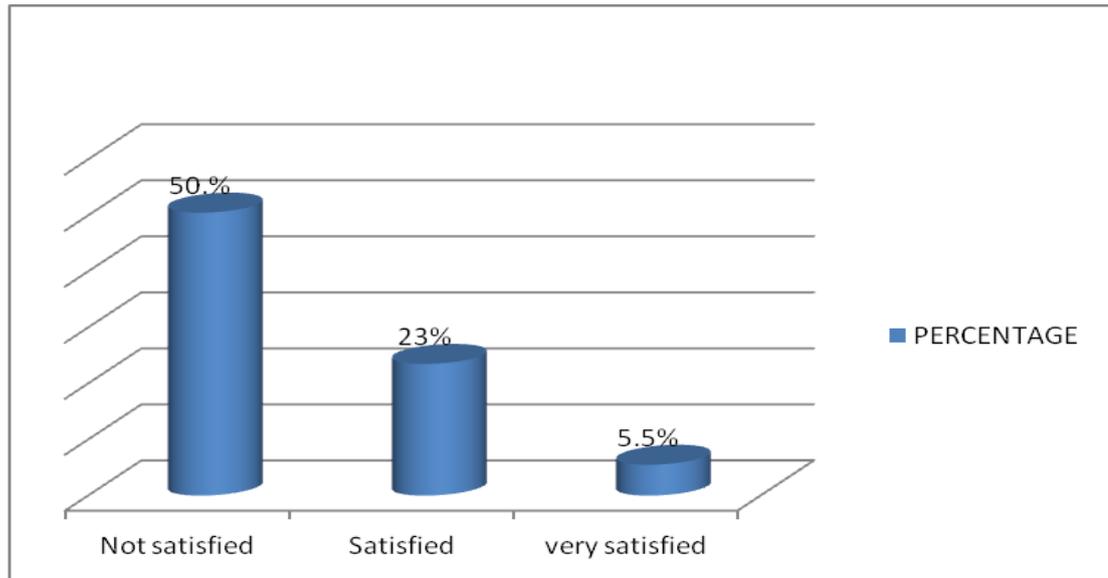


Figure 4.3: Network Coverage

Source: Field data (2012)

4.5.2 Voucher Availability

Voucher availability is another primary concern of TTCL users. As one of the reasons for customer dissatisfaction, vouchers are only available in urban centers and big shops or mini supermarkets in rural areas. According to the respondents, voucher availability is a problem in many rural areas. This requires pre-purchasing enough vouchers if the customer is travelling to rural areas in fear of not getting the service in rural areas.

Table 4.6: Voucher Availability

SATISFACTION LEVEL	FREQUENCY	PERCENT
NOT SATISFIED	71	39.5
SATISFIED	46	23
VERY SATISFIED	34	17

Source: Field data (2012)

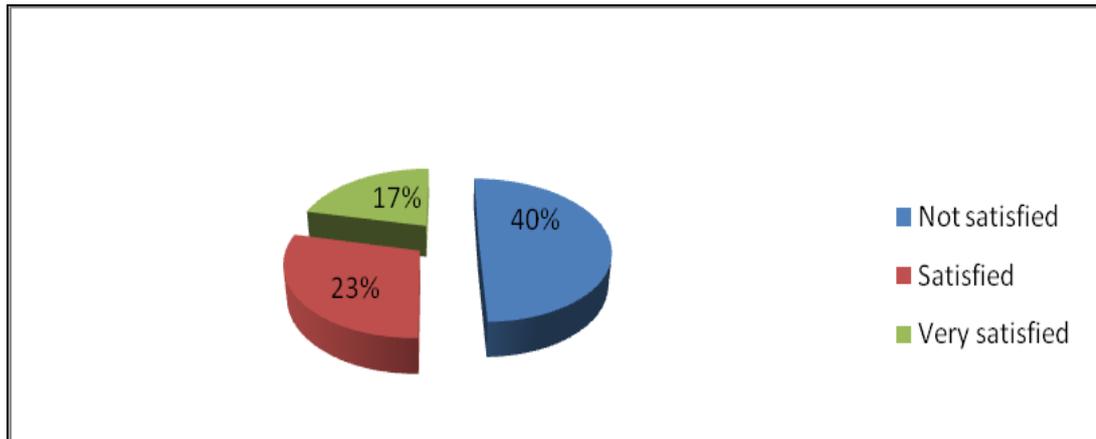


Figure 4.4: Voucher Availability

Source: Field data

Research results shows that 39.5% of the respondents were not satisfied with this service, out of the 79.5% of the respondents who were using TTCL or they have used it in the past. This is almost 50% of the respondents who were TTCL customers. 17% of the respondents said they were very satisfied with the TTCL prepaid voucher availability. This is shown in the figure 4.4.

4.5.3 Flexibility

Table 4.7: Flexibility

SATISFACTION LEVEL	FREQUENCY	PERCENT
NOT SATISFIED	53	26.5
SATISFIED	60	34
VERY SATISFIED	38	19

Sources: Field data (2012)

Majority of the respondents showed satisfaction in TTCL flexibility, in provision of services to its customers. 34% were satisfied and 19% were very satisfied. This constitutes 64% of the total respondents interviewed. 26.5% of the respondents were

not satisfied with TTCL flexibility citing lack of innovations and embracing new services for its customers as the major cause of dissatisfaction in this category. Lack of mobile banking services from TTCL was noted as another factor for the lack of flexibility in TTCL mobile services.

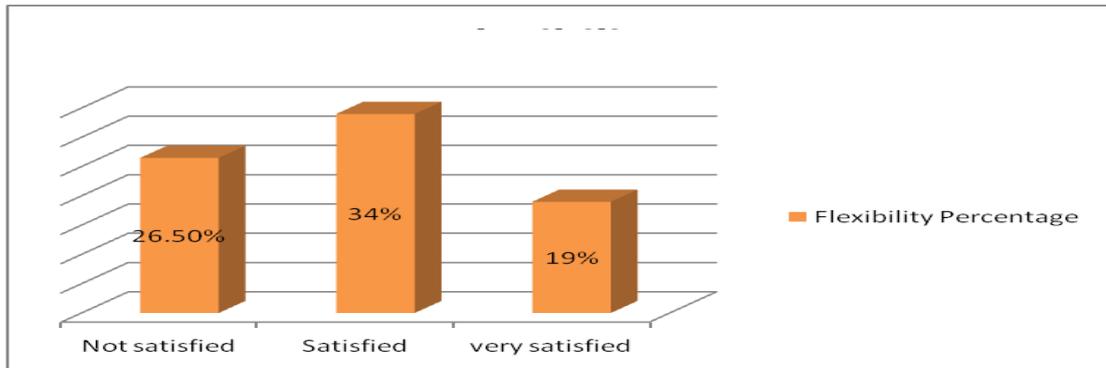


Figure 4.5: TTCL Flexibility in Service Delivery

Source: Field data (2012)

4.5.4 Air Time Charges

Table 4.8: Air Time Charges Satisfaction

Satisfaction Level	Frequency	Percent
Not Satisfied	17	54.5
Satisfied	10.1	8.5
Very Satisfied	33	16.5

Sources: Field data (2012)

According to the respondents in this research, 54.5% of the total respondents interviewed said they were not satisfied (8.5%) or very satisfied (16.5%) with the air time charges. Despite other dissatisfactions from the users, lower tariffs are one of the major points the customers look for before accepting to TTCL services. This presented in the Figure 4.6.

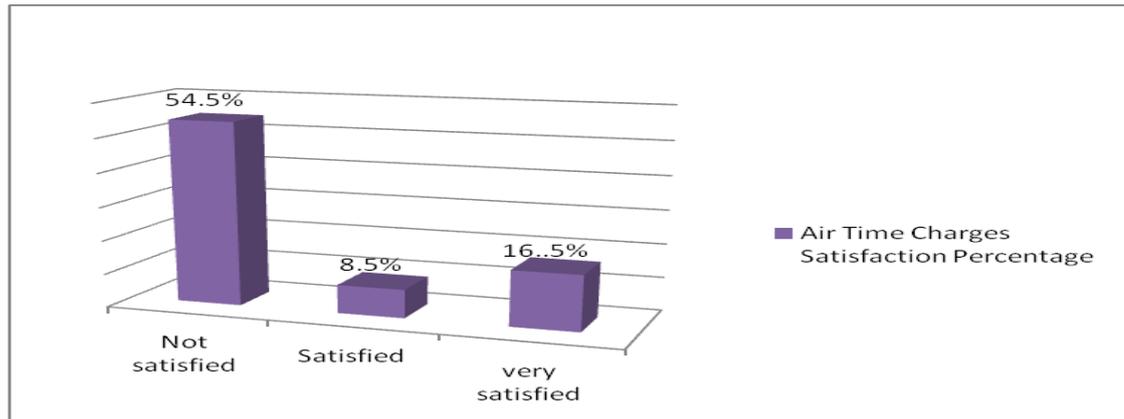


Figure 4.6: Air Time Satisfaction

Sources: Field data (2012)

4.5.5 Phones or Handset Prices

Cell phones sold by mobile operators in the country are always being sold on promotional basis, which make them the cheapest phones available in the market. According to the research results, majority of the respondents were satisfied with the handset prices provided by TTCL mobile.

Table 4.9: Handsets Prices Satisfaction

Satisfaction Level	Frequency	Percent
Not Satisfied	10	5
Satisfied	131	65.5
Very Satisfied	10	9

Source: Field data (2012)

65.5% of the respondents were satisfied with the prices and 9% were very satisfied while 5% are not satisfied with prices of cell phones. Mobile operators in the country have been selling cheap cell phones to their customers and non customers, as a means of attracting more customers and retaining the old ones. In most cases, these handsets will only operate with SIM cards of that particular operator, so limiting the

benefactors of those cheap handsets to using only their services. However, there have been complaints that those handsets are counterfeit and do not last long as the genuine ones which are also available in the market but with a different price tag. Figure 4.7 represents handset price satisfaction:

4.5.6 Customer care

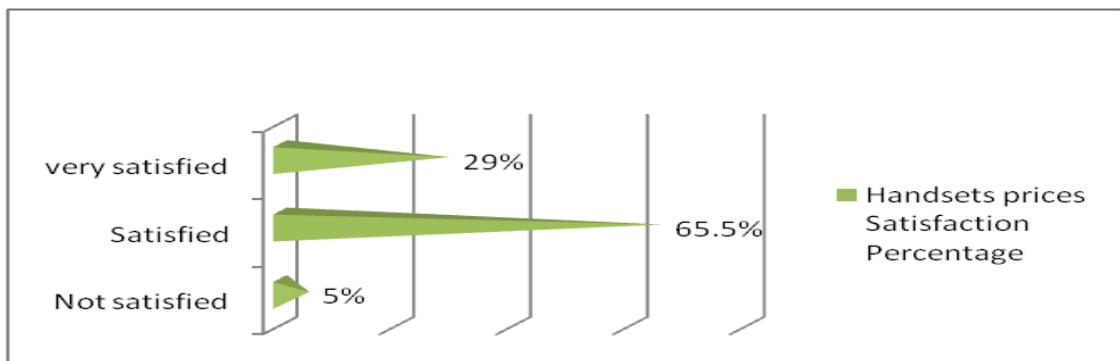


Figure 4.7: Handsets Prices Satisfaction

Source:Field data (2012)

Customer service, being a series of activities designed to enhance the level of customer satisfaction, is a very important component for any telecom operators.

Table 4.10: Customer Care

SATISFACTION LEVEL	FREQUENCY	PERCENT
NOT SATISFIED	121	64.5
SATISFIED	8	4
VERY SATISFIED	22	22

Source: Field data (2012)

According to research findings, 64.5% of the respondents were not satisfied with TTCL customer care, 11% were very satisfied and only 4% said they were satisfied by TTCL customer care. Combining together the satisfied parties, 75% of the

respondents interviewed were either not satisfied or very satisfied with TTCL customer care. In other words, as far as customer satisfaction is concerned. The customer care department had not met customer expectations to a large extent as shown in the figure 4.8.

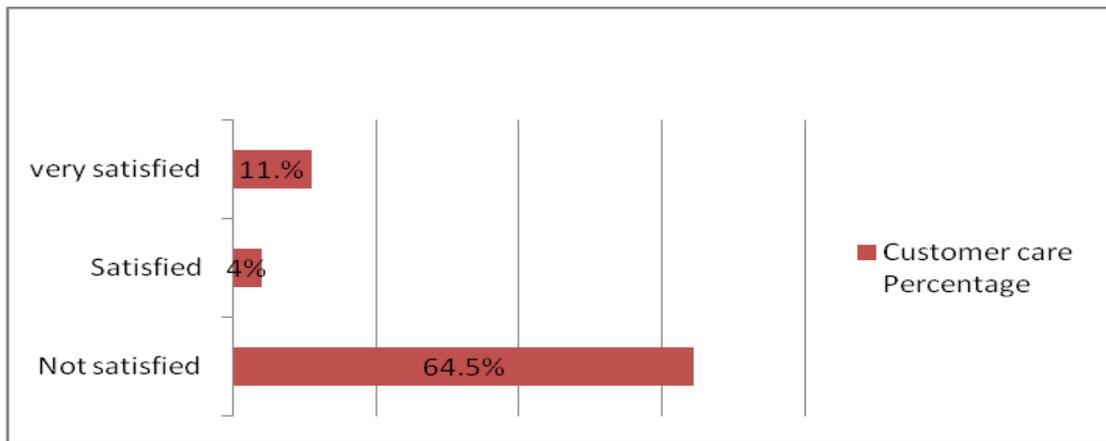


Figure 4.8:Customer Care

Source: Field data (2012)

4.6 What Should be Done to Improve Customer Satisfaction in TTCL

The respondents were asked about what should be done to improve customer satisfaction at TTCL. The responses are shown in the Table 4.11.

Table 4.11: Improve Mart of Customer Satisfaction in TTCL

S/No	What To Be Done	Frequency	Percent
1	Improve infrastructure for more coverage in the rural areas	123	81.4
2	Embrace new technology and innovations to improve company's flexibility	47	31.1

3	The company should lower prices of products and services	144	95.3
4	The company should bring quality cell phone for its customers	41	27.2

Source: Field data (2012)

Generally, about 81.4% customers comments that; TTCL should improve infrastructure for more coverage in rural areas. TTCL is operating all over the country but in the rural areas there is a problem of coverage, this makes the customers to be dissatisfied in the quality of service. In Embracing new technology and innovations to improve company's flexibility, 31.1% suggest that, TTCL should adopt new technology and innovation which is changing everyday in telecommunication industries in order to deliver better service and hence customer satisfaction.

In lowering prices of TTCL product and services, 95.3% comment that, the prices of services lead to customers to be dissatisfied, therefore the changes in prices should be taken into account for the customers to be satisfied with the product and services delivered by TTCL. 27.2% of the respondents said that the quality of cell phone which is provided by TTCL should be improved. Most of the cell phone are of low quality and has limitations thus you cannot use the same hand set to other providers.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings, conclusion and recommendations from the results obtained from the field survey. It also covers the limitation of the study, implications (managerial and theoretical) and suggestions for further research topics.

5.2 Summary of Findings

From the analysis carried out in order to answer research questions and hence fulfill the purpose of the study that include; finding out how customers perceive TTCL service quality, factors hindering customer satisfaction, identifying what dimensions highly contribute to customer satisfaction and what should be done to improve customer satisfaction for TTCL.

The findings from analysis reveal that the SERVQUAL model is not a better instrument to measure service quality for TTCL business working environment. The gap score analysis carried out, found that, the overall service quality is low as perceived by TTCL customers and hence unsatisfactory customer satisfaction. Customers have higher expectations than what they actually experience from TTCL even though the difference is not significant. To answer the main research question which is; how customers perceive service quality, the gap scores analysis carried out provided answers to these questions. The overall perceived service quality is low as expectations exceed perceptions; implying that customers demand more than what is

being offered to them. Due to such prevailing gap, it is clear that customers are not satisfied. Further evaluation on the perceptions and expectations of the customers, it has been observed that no dimension of service quality that contributes to customer satisfaction. The findings on the factors hindering satisfaction for TTCL, it has been found that most of customers were not happy with TTCL customer care service, voucher availability, phones type and prices, airtime charges and flexibility.

Evidence from the study shows that, TTCL have to improve performance on all dimensions of service quality in order to increase customer satisfaction as customers expect more than what is being offered by TTCL. By improving customer service quality means strengthening company competitive edge within the industry

5.3 Conclusion

The main purpose of this study was to assess service quality and customer satisfaction using SERVQUAL model from TTCL current business set ups. It also reveals how customers of TTCL perceive service quality, see how applicable the SERVQUAL model in the context of TTCL using its dimensions to measure service quality , factors hindering satisfaction in TTCL and what to be done to improve customer satisfaction in TTCL. Knowing how customers perceive service quality and being able to measure service quality will benefit management of service organizations including TTCL. Measuring service quality helps management to provide reliable data that can be used to monitor , maintain and improve service quality. Findings show that TTCL customers expects more than what they perceive therefore TTCL must strive hard to improve all the service quality dimensions for

improved customer satisfaction.

5.4 Implications of the Findings

General implication to management of TTCL is that they should focus on all dimensions of service quality and make efforts to improve to have better performance that would lead to higher perceived service quality and customer satisfaction. TTCL should focus on improving service quality by investing in equipment to enhance call quality , coverage, offer reasonable pricing , offer price discounts, offer reasonable validity period and enhance customer care service through intensive routine personnel training and provision of better customer-friendly equipment to customer serving staff.

For improved service quality TTCL should not only rely on profit margins as a good indicator of business performance. TTCL should also develop strategies that would enhance customer's perceptions capturing. The customer satisfaction strategy helps companies to compare their performance against customer standards, compare customer standards against internal process and identify opportunities for improvement.

5.5 Recommendations

- i. TTCL should conduct ongoing research on service quality and customer satisfaction to understand the changing customers satisfaction levels against offerings on what should be done and what strategies to be implemented in order to achieve customer satisfaction goals.

- ii. TTCL and other telecommunications operators should not just rely on profit margins as good indicator of business performance, rather; they should develop strategies that will assist them to capture customers' perceptions on demand.
- iii. Customer satisfaction strategy will help companies to compare their performances against customer standards against internal processes, industry benchmarks and identify opportunities for improvement.
- iv. TTCL infrastructures like network towers should be improved. More investment should be made in new modern technologies. On the customer access levels fiber optic backbone networks are recommended for improved service and reliability.
- v. TTCL should provide more trainings about service quality to customer serving staffs for more understanding of the offering as this has direct impact to customers expectations

5.6 Limitations

There were some limitations associated with this study that need to be addressed.

The results obtained from this study cannot be generalized to a wide range of similar situations concerning TTCL because of the non-probability sampling technique used even though the methodology used in this study could be applied to these similar situations. The issue of customers' perceptions could be questioned because the sample size considered constituted respondents from both government organization and private organization therefore the expectation may differ significantly.

Finance, time and material resources needed for a larger sample size was inadequate hence opted for small sample size. Due to low financial budget and other resources, the sample size for this study was reduced to 175 respondents and the study area was also confined to Dar es Salaam only.

The above limitations however are less significant compared to the importance of carrying out this type of study. Such study should be carried out frequently in order to monitor service quality and satisfaction levels of customers and hence apply necessary adjustments for addressing the prevailing weaknesses.

5.7 Suggestions for Further Research

Further research should be carried out in order to enhance the understanding of the concepts of service quality and customer satisfaction, how they are measured because they are very important for service organizations in terms of profitability and growth. A similar study could be conducted with a larger sample size so that results could be generalized to a larger population. Similar study is recommended to other areas including the impact of poor support to the customer satisfaction, the impact of regulatory policies to customer satisfaction and the impact of customer retention strategies to the customer satisfaction levels.

REFERENCES

- Asubonteng, P. (1996). A critical review of service quality, Vol.10. *The Journal of service marketing* , 6,p.62-81.
- Buttle, F. (1996). review,critique, reseach agenda. *European Journal of Marketing* , Vol.30,Nnumber1,p.8-32.
- Cronin, J. (1992). measuring service quality;a re-examination and extension. *The Journal of Marketing*,Vol.56,Number 3 , 55-68.
- deVaus, D. (2002). *Surveys in social Research.(5th edn)*. London: Routledge.
- Douglas, L. (2003). The expectation gap,nutrition &food science. *Attitudes to service quality* , Vol.33 number 4 p.165-172.
- Edvardsson. (1998). Service quality improvement. *Managing service quality* , Vol.8.Number 2,p.142-149.
- Eshghi, A. (2008). Service quality and customer satisfaction. *An imperical investigation in India mobile Telecommunications services,Marketing management journal* , Vol 18,number 2,p.119-144.
- Fen, Y. (2005). Antecedents of customer's re-patronage. *Sunway Academic Journal* , Vol.4,P.60-73.
- Garvin, D. (1998). *Managing quality*. New York: Macmillan.
- Ghylin, K.M., Green, B.D., Drury, C.G., Chen, J., Schulta, J.L., Uggirala, A., Abraham, J.K. & Lawson, T.A. (2006). Clarifying the dimensions of four concepts of quality. *Theoretical issues in economics science* , Vol.9,Number1,p.73-94.

- Gronroos, C. (1982). A service quality and its marketing implications. *European Journal of Marketing* , Vol.18,Number 4,p.36-44.
- Gummesson, E. (1994). service management. *International Journal of service Industry management* , 77-96.
- Haedie N. & Walsh P. (1994). Towards a better understanding of quality. *international Journal of quality and reliability management* , Vol.11,p.53-63.
- Johns, N. (1999). What is this thing called service? *European journal of marketing* , Vol.33,number 9/10,p.958-973.
- Kumar, M., Kee, F.T. & Manshor, A.T. (2009). Determining the relative importance of critical factors in delivering service quality of banks. *Managing service quality* , Vol.19,number 2,p.211-228.
- Ladhari, R. (2009). A review of twenty years of SERVQUAL research,. *International journal of quality and services science* , Vol.1,Number 2.P.172-198.
- Lee, H., Lee, Y. & Yoo, D. (2000). The determinants of perceived service quality and its relationship with satisfaction. *Journal of service marketing* , Vol.14,Number 3,p.217-231.
- Negi. (2009). Determining customer satisfaction through perceived service quality. *International journal of mobile marketing* , Vol.4,number 1:p.31-38.
- Oliver, R. (1977). effect of expectation and disconfirmation on post exposure product evaluation. *Journal of applied psychology* , Vol.62,number 4,p.480-486.
- Parasuraman, A., Zeithaml, V.A. ,& Berry, L.L. (1985). Conceptual model of service quality and its implications for future research. *Journal of Marketing* , Vol.49,p.41-50.

- Parasuraman, A., Zeithaml, V.A., & Berry, L.L. (1988). SERVQUAL :a multiple item scale for measuring perceptions of service quality. *journal of retailing* , Vol.64,Number 1,p.12.
- Saunders, M., Lewis, P. and Thornhill, A. (2007). *Research methods for business students (5th edn)*. harlow: FT Prentice hall.
- Wicks, A.M., & Roethlein, C.J. (2009). A satisfaction-Based defination of quality . *Journal of Business & Economics Studies* , Vol.15,No.1,spring 2009,82-97.
- Yi, Y. (1990). A critical review of customer satisfaction,in Zeithaml,V. *Review of marketing ,Amercan marketing association* , 68-123.

PPENDIX**Questionnaires**

These questionnaires are part of a research project and the study is to assess service quality and customer satisfaction using SERVQUAL model. I would be happy if you could help to answer the following questionnaires.

Thank you.

The questionnaire is in two parts, expectations and experience.

Expectations: This section deals with your opinion of TTCLs. Please, show the extent to which you think TTCL 'should' possess the following features. We are interested in knowing your expectations from ideal.

Instructions: Please rate how strongly you agree or disagree with each of the following statements by placing a check mark in the appropriate box.

Statements	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
1. Ideal TTCL should have modern equipments.	[]	[]	[]	[]	[]
2. Their physical facilities (shelves, customer service counters, computers, lights) should be visually appealing.	[]	[]	[]	[]	[]
3. Their employees should be well dressed and appear neat.	[]	[]	[]	[]	[]
4. When provider promises to do something by a certain time, they should do so.	[]	[]	[]	[]	[]
5. When a customer has a problem, a provider should show a sincere interest in solving it.	[]	[]	[]	[]	[]
6. Provider should perform the service right the first time.	[]	[]	[]	[]	[]
7. They should provide their services at the time they promise to do so.	[]	[]	[]	[]	[]

Statements	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
8. They should keep their records accurately.	[]	[]	[]	[]	[]
9. Employees should make information easily obtainable by the customers.	[]	[]	[]	[]	[]
10. Employees should give prompt service to customers.	[]	[]	[]	[]	[]
11. Employees are always willing to help customers.	[]	[]	[]	[]	[]
12. Employees in a TTCL should never be too busy to respond to customers' requests.	[]	[]	[]	[]	[]
13. The behavior of employees in TTCL should instill confidence in customers	[]	[]	[]	[]	[]
14. Customers should be able to feel safe in their transactions with Employees in the counters.	[]	[]	[]	[]	[]
15. Their employees should be polite.	[]	[]	[]	[]	[]
16. Employees of TTCL should have the knowledge to answer customers' questions.	[]	[]	[]	[]	[]
17. Provider should give customers individual attention.	[]	[]	[]	[]	[]
18. Their operating hours should be convenient to all their customers.	[]	[]	[]	[]	[]
19. Employees should give customers personal service.	[]	[]	[]	[]	[]
20. The employees should understand the specific needs of their customers.	[]	[]	[]	[]	[]

Perceptions: The following statements deal with the perceptions of service experienced. Please, show the extent to which these statements reflect your perception of service in TTCL

Put a cross (X) on your choice of answer.

Statements	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
1. TTCL customer service centers have up-to-date equipments.	<input type="checkbox"/>				
2. Physical facilities (like, computers, brochures) are visually appealing.	<input type="checkbox"/>				
3. Employees are well dressed and appear neat.	<input type="checkbox"/>				
4. When they promise to do something by a certain time, they do.	<input type="checkbox"/>				
5. When a customer has a problem, they show a sincere interest in solving it.	<input type="checkbox"/>				
6. Provider performs the service right the first time.	<input type="checkbox"/>				
7. TTCL provides the service at the time they promised to do so.	<input type="checkbox"/>				
8. Employees keep their records accurately	<input type="checkbox"/>				
9. Employees make information easily obtainable by customers	<input type="checkbox"/>				
10. Employees give prompt service to customers.	<input type="checkbox"/>				
11. Employees are always willing to help customers.	<input type="checkbox"/>				
12. Employees are never too busy to respond to customers requests.	<input type="checkbox"/>				
13. The behavior of employees instill confidence in customers	<input type="checkbox"/>				

Statements	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
14. Customers feel safe in their transactions with employees in the Customer service counters.	<input type="checkbox"/>				
15. Employees are polite with customers.	<input type="checkbox"/>				
16. Employees of TTCL have the knowledge to answer customers' questions.	<input type="checkbox"/>				
17. Employees give customers individual attention.	<input type="checkbox"/>				
18. Their operating hours are convenient to all their customers.	<input type="checkbox"/>				
19. Employees give customers personal service.	<input type="checkbox"/>				
20. The employees understand the specific need of their customer.	<input type="checkbox"/>				

21. To what level are you satisfied in the following categories of TTCL services? *
Choose appropriate

		Very Satisfied	Satisfied	Not Satisfied	
Network Coverage	<input type="checkbox"/>				
Vouchers availability	<input type="checkbox"/>				
Flexibility (TTCL Mobile fixed to its handset)	<input type="checkbox"/>				
Air time charges (Price)	<input type="checkbox"/>				
Price of TTCL Mobile Phone	<input type="checkbox"/>				
TTCL Mobile Customer care	<input type="checkbox"/>				

22 What should be done to improve customer satisfaction at TTCL? * Write briefly

Demographic questions

21. Gender (Male/Female):				Age:	
22. Occupational:					

23. How much do you spend using TTCL services per month?

0-5, 000,000

5,000,000-15,000,000

15,000,000-25000, 000

Others.