

## Assessment of the Factors that Affect Customer Satisfaction on Service Quality: A Case Study in Ethio Telecom Dawro Zone

Mamo GS\*

Leadstar College of Management and Leadership, Addis Ababa, Ethiopia

### Abstract

The main purpose of the research is assessment of the factors that affect customer satisfaction on service quality in Ethio Telecom Dawro zone. To meet this objective both primary and secondary data were collected. Of 300 respondents were employed. The primary data were collected to study customer satisfaction and using SERVQUAL model to measure customer satisfaction through service quality dimensions namely: reliability, tangibles, responsiveness, empathy and assurance. Data analysis was done using descriptive statistical tools, tabular, frequency and percentage. The studies were identified that factors affect customer satisfaction on service quality and the relationship between service quality and customer satisfaction. From the results obtained, the consumers perceive service quality was good but it not more attractive in most variables and dimensions. So service quality has an impact on customer satisfaction and that shows there is a positive relationship between customer satisfaction and service quality.

**Keywords:** Customer satisfaction; Dawro zone; Empathy and assurance; Reliability; Responsiveness; Service quality; Tangibility

### Introduction

Telecommunication service projects (TSP) are very important for both developed and emerging economies, all social, economic, political, cultural, trade and commercial activities of a country is undertaken using telecommunication service. According Douglas and Connor, high quality service in the telecommunication industry can lead to growth and long-term development of any country where as failure of delivering quality telecom services will affect country's pace of commercial and domestic activities [1]. The main purpose of the study were identifying the factors that affect customer's satisfaction in using GSM service and investigating how to respond towards those factors in view of SERVQUAL model or the five service quality dimensions.

To provide excellent service, an organization needs to exceed customer expectations. An important factor in providing good service is to keep promises always and not to guarantee things that cannot be delivered. Since customer satisfaction has been considered to be based on the customer's experience on a particular service encounter, it is in line with the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the services from service providers in organizations [2].

Recently a study was conducted by Thomas (2013) examined the factors that affect customer satisfaction on mobile users of ethio telecom at Addis Abeba. However it is not enough to generalize the factors affect customers satisfaction of Mobile users, because of customer perception and expectation of Addis Ababa mobile users are differ from that of regional mobile customers.

### Statement of the problem

To provide excellent service, an organization needs to exceed customer expectations. An important factor in providing good service is to keep promises always and not to guarantee things that cannot be delivered. Since customer satisfaction has been considered to be based on the customer's experience on a particular service encounter, it is in line with the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the

services from service providers in organizations [2]. Though customer satisfaction has a great importance for the growth and existence of an organization; customers are not satisfied with ethio telecom mobile services in general and Global System Mobile (GSM) service in particular (ETC) profile 2007. Based on Ethiopia society where all our people have access to the information infrastructure on equitable bases (ETC) profile 2006.

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Thus, the researcher were tried to assess the "factors that affect" customers' satisfaction on service quality of mobile users in Ethio telecom in Dawro Zone

### Objectives of the Study

#### General objective

The main objectives of the study were assessing factors that affect customer satisfaction on quality service of mobile users in ET at Dawro zone.

#### Specific objectives

1. To identify the determinants of customer satisfaction in relation to mobile service provision at Dawro area Ethio telecom.

\*Corresponding author: Mamo GS, Leadstar College of Management and Leadership, P.O.Box 1697/1250 Addis Ababa, Ethiopia, Tel: +251 91 188 8813; E-mail: [getuwetm@gmail.com](mailto:getuwetm@gmail.com)

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2. To identify the relationship between customer satisfaction and service quality (service quality dimensions).
3. To examine the company's service quality on customer satisfaction of mobile service usage with regard to the five service quality dimensions such as: reliability, tangibility, responsiveness, assurance and empathy.

## Literature Review

### Concept of customer satisfaction

According to Simon, customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market [3].

Customers are those who buy the goods or services provided by companies are customers. In other words, a customer is a stakeholder of an organization who affords payment in exchange for the offer provided to him by the organization with the aim of fulfilling a need and to maximize satisfaction. Sometimes the term customer and consumer are confusing. A customer can be a consumer, but a consumer may not necessarily be a customer.

Customer happiness, which is a sign of customer satisfaction, is and has always been the most essential thing for any organization like ethio telecom. Customer satisfaction is defined as the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption [4]. Consumer is contented with either the product or services it is termed satisfaction. They also define satisfaction in relation to a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations. In addition, they define satisfaction to be the pleasure derived by someone from the consumption of goods or services offered by another person or group of people or the state of being happy with a situation.

### Impact of service quality on customer satisfaction

As per Zeithaml and Binter, to gain products and service a consumer spends both money and resources in the form of time, energy and effort [5]. Company service or product quality and customer satisfaction both have long been considered crucial for success and survival in today's market. But it is also important to understand what contributes to customer satisfaction that could be a key to achieve the company target.

The consumers are now demanding higher quality in products than ever before. They fined for quality is arguably the most important consumer trend. The basic feature of service firms is to focus on quality, the way it is produced and being offered to the final customer. As the result of that continuous improvements in the quality of services perceived according to the consumer expectations positively affects the satisfaction level and customer's perceptions about the company. As per Anderson et al. expression, quality is revealed to have a positive influence on overall customer satisfaction [6]. So the effect of expectations of quality on customer satisfaction is positive and has significant impact. The primary emphasis of both academic and managerial effort focused on determining what service quality meant to customers and their retention.

## Relationship between customer satisfaction and service quality

Both customer satisfaction and service quality are considered as extensive and vast subjects of research and many studies related to customer satisfaction are conducted in the area of service settings. In marketing theory, the consumer satisfaction category has the main position. It is based on the premise that the profit is made through the process of satisfaction of consumers' demands. A further debate has considered whether service quality is a cause customer of satisfaction [2,7]. It then helps to identify a link between both constructs.

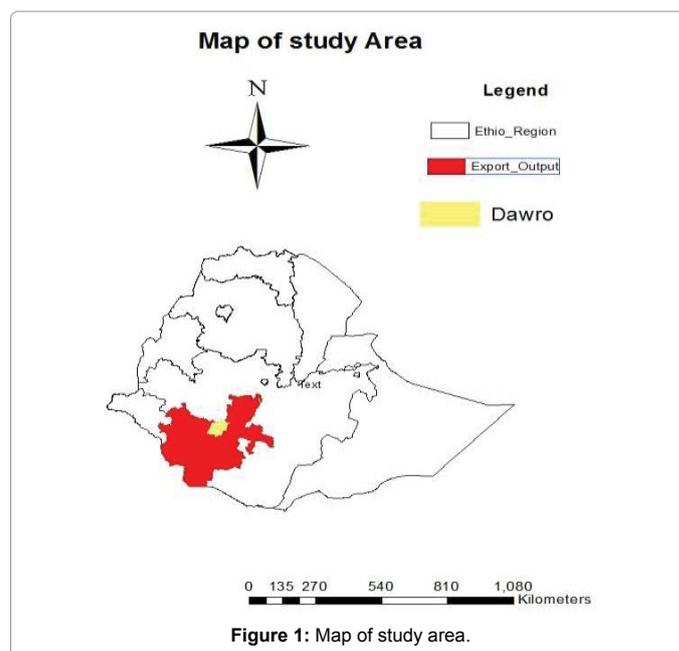
As per the statement of Anderson et al., the increased level of customer satisfaction decreases the chances that customers will be pointing the flaws in the quality. In service settings it would offer a better perspective of the relative importance of service quality determinants by developing more comprehensive models of the drivers of customer satisfaction. In their finding a great similarity between the customer satisfaction and service quality is observed [8].

In academics both constructs are recognized as distinct and independent. Whereas a wide literature studies shows that both concepts are distinct conceptually. But also are closely related to each other and any increase in one (quality) leads to increase in another (satisfaction). However there are number of variations found in literature between customer satisfaction and service quality [7].

## Methodology

### Description of the study area

The study was conducted in Dawro zone, is located at 6.590-7.340 N of latitude and 36.680-37.520 E of longitude and at altitudinal range between 550-2820 meters above sea level in Southern Nations, Nationalities and Peoples Region (SNNPR). Based on the 18 recently classified agro-ecological zones, the area consists of sub-humid types of agro-ecological zones containing deciduous woodland with elevation 550-2820m having *Boswellia papyrifera*, *Combretum mole*, *Terminalia browni*, *Acacia senegal*, *Balanites aegyptica*, *Lannea fruticosa* and others along the Omo and Gojeb river valleys (Figure 1).



### Research design and methodology

Research design provided the guideline for data collection. It involved the selection of the research approach. The study employed descriptive research design. Descriptive research describes data and characterize about the population or phenomena being studied. Descriptive research was useful in establishing the factors affects customer satisfaction on service quality.

The study used both probability and non-probability sampling techniques. Probability sampling techniques were used for ethio telecom staffs and non-probability sampling techniques were used for the mobile users (customer).

Convenience sampling is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study. It was a little challenging experience but it was fun all the same. To gather the data, 300 questionnaires were prepared and administered to the sample study. This took two weeks to administer these 300 questionnaires.

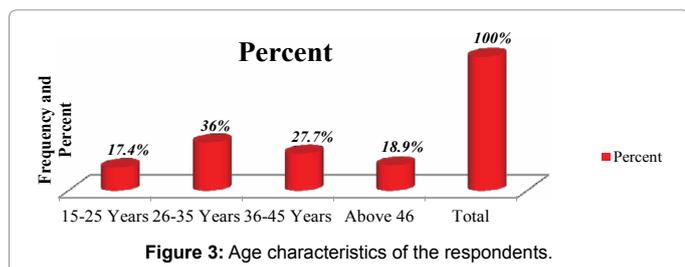
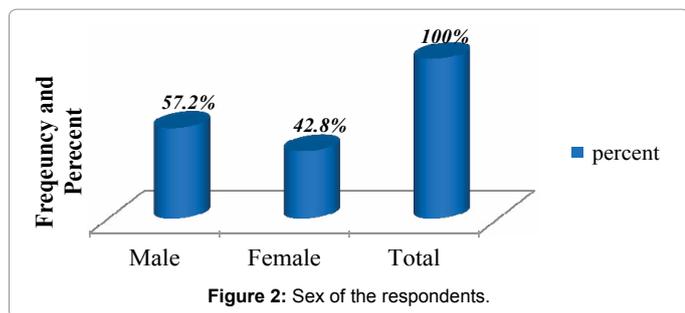
Standardize and self-administrated questionnaire is the most common method of primary data collection in marketing research and the advantages are simple, manageable ,and data consistency. So, primary data have been collected by means of questionnaire from ethio telecom mobile users and front staffs. Secondary data was collected from reports, magazine, and company website and information system.

### Study Results and Discussion

#### Characteristics of the study sample according to the demographic variables

**Sex of the respondents:** The result indicated that out of the total number of respondents the number of male is slightly higher than male respondents. They constituted 57.2% whereas the remaining 42.8% respondents are males (Figure 2).

**Age characteristics of the respondents:** According to figure below, the highest (36%) proportion is occupied by those individuals whose age is found between 26-35 years of age. This indicated that most of them are young adult age and economically active group (Figure 3).



**Occupation of the respondents:** As it can be observed from Figure 4 regarding the occupation of the respondents, 41.7% of them are public servant. They are followed by self-employed and private organization employee who constituted 22% and 18.6% of respondents, respectively. The remaining 17.8% of the respondents are students.

#### Perceptions on customer satisfaction

From table below it is easy to observe that the majority 18 (60%) of ET front line staffs respondents say that customers are not satisfied by service given by Ethio telecom Dawro zone, whereas 12 (40%) of front line staffs respondents say customers are satisfied by the service given by Ethio telecom Dawro zone [9]. It clearly indicates that Ethio telecom have to consider the problem and improve its service quality in Dawro zone in order to enhance its customer satisfaction (Table 1).

#### Level of mobile service satisfaction of customers

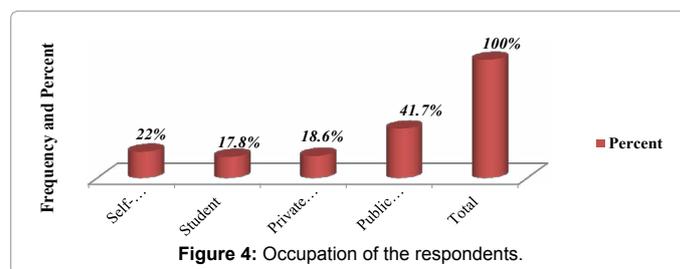
With regard to service delivery, Parasuraman states that failure to ensure customer satisfaction, both initially and belatedly through service recovery could lead to a decline in customer confidence, lost customers, negative word-of-mouth, possible negative publicity and the direct cost of re-performing the service [7]. Therefore, the company needs to improve the service delivery process by using different techniques such as registering customer’s view and using self-completion questionnaires to identify all potential problems (Table 2).

With respect to network problem the result indicates that since the quality of the mobile network is very essential in many ways; the network at Dawro zone hardly satisfies its customers. Therefore, from the above data it is possible to conclude that the network of Ethio telecom in Dawro zone didn’t satisfy its customer.

#### Impact of service quality on customer satisfaction and their relationship

**Descriptive statistics analysis:** Table 3 descriptive statistics shows that the mean scores and standard deviation of service quality dimensions and customer satisfaction. Based on the mean value from the table, it indicates that these dimensions (Assurance, Responsiveness and Empathy) are more important for the customer satisfaction; this implies that ethio telecom service quality performance is better on these dimensions.

Furthermore, Reliability and Tangibility dimensions underscore less performance that is ethio telecom service quality performance for these dimensions is perceived to be relatively lower when compared



| Employee’s perception on customer satisfaction of mobile service | Frequency | Percent |
|--|-----------|---------|
| Satisfied (YES)  | 12        | 40      |
| Not satisfied(NO)  | 18        | 60      |
| Total  | 40        | 100     |

Table 1: Front line staffs perception on customer satisfaction.

| Variables indicate customer satisfaction         | No. of respondents | Level of agreement in percent (%) |              |         |                |
|--|--------------------|-----------------------------------|--------------|---------|----------------|
|  |                    | Good                              | Satisfactory | Neutral | Unsatisfactory |
| Service delivery process                         | 264                | 32.4                              | 41.1         | 4.4     | 23.1           |
| Ethio telecom network status                     | 264                | 59.3                              | 14.7         | 2.7     | 23.3           |
| Customer compliant handling procedure            | 264                | 49.2                              | 20.5         | 3.6     | 26.7           |
| Reliability of the service                       | 264                | 45.2                              | 22           | 1.2     | 31.6           |
| Value much with the service provided by the cor. | 264                | 40.8                              | 18.5         | 2.5     | 38.2           |
| Time to get mobile service                       | 264                | 46                                | 20.5         | 3.3     | 30.2           |
| Price fairness                                   | 264                | 53.6                              | 12.9         | 2.1     | 31.4           |

Table 2: Level of customer satisfaction.

| Constructs            | Mean   | Std. deviation |
|-----------------------|--------|----------------|
| Reliability           | 2.8485 | 0.72021        |
| Tangibility           | 2.9639 | 0.71829        |
| Responsiveness        | 3.0364 | 0.66381        |
| Empathy               | 3.0165 | 0.66997        |
| Assurance             | 3.0924 | 0.66842        |
| Customer Satisfaction | 3.0202 | 0.66986        |

Table 3: Descriptive satisfices analysis.

with the other two dimensions. A structured data instrument was used in these research 32 questions divided in to 6 constructs, including the service quality model and customer satisfaction, with the purpose to find out the level of perception by users on the service offered. Based on 264 respondent's perceptions towards the service quality offered by ethio telecom Bale Dawro zone, the table shows the mean scores and standard deviation for the overall service quality dimensions. The mean score for customer satisfaction is also given. The instrument used a 5 point Likert scales ranging from strongly disagree to strongly agree.

**Summary of major findings:** The primary objective of the study was to assessing factors that affect customer's satisfaction on mobile service quality in ethio telecom, Dawro Area and conducted with a set of research questions which relate directly to the research topic. The research was conducted using questionnaire consisting of 300 sample respondents and the study specifically focused on the factors affect customer's satisfaction on service quality.

According Ethio telecom front line staffs of respondents 60 percent customers are not satisfied by mobile service given by Ethio telecom Dawro Area. Only 40 percent of respondent of front line staffs are satisfied with mobile service given by Ethio telecom. The main factors that affect customer's satisfaction on service quality in mobile service provision of ethio telecom Dawro area are so many among them service delivery process is not good, mobile network of ethio telecom is unsatisfactory, customer compliant handling procedure is satisfied customers, ethio telecom mobile service is not reliable, value is not much with the service provided by the company, Time to get mobile service long, and price paid for the service is not fair.

## Conclusion

This research aims to assess factors that affect customer satisfaction in service quality and the relationship between service quality dimension and customer satisfaction in ethio telecom Dawro zone. It also sought to identify the significant drivers of customer's satisfaction in the using the service quality dimensions.

Customer satisfaction on service quality is a multi-dimensional subject. Customer satisfaction is affected by a lot of different variables. The result of the study indicates that customers are satisfied with ethio telecom Dawro zone mobile. It is quite obvious from the research that

the customer requirements are met and they are satisfied with most of the aspects of the Ethio telecom, Ethio telecom mobile network provides service consistency, Company has ability to give service of what they promised to their customers on time Mobile customers' compliant solved immediately etc.

Variables that affect customer satisfaction and also it were established that all the service quality dimensions or attributes are not equally significantly related to customer satisfaction. This study indicates that mean scores of Assurance and Responsiveness are greatest to all dimensions that mean specifically, the attributes of Assurance and Responsiveness were found to be the most important predictors of customer satisfaction.

## Recommendation

The results show above can help ethio telecom to particularize their strategic to improve service quality and achieve customer satisfaction with the purpose to reach the highest customer satisfaction level and also build the strong relationship with customers.

- Ethio telecom needs to give immediate response to handle the customer complaints and has to take appropriate and immediate decision to solve the customer problem, with modern customer complains handling and grievance redressed system.
- Ethio telecom needs to strengthen complaints resolution mechanisms and provide training to equip staff with necessary skill to better serve the customers since the most important issue to win customer's trust is to focus on developing customer complaint resolution system.
- There has to be a balance between expanding the mobile service and affording expected service quality that satisfies customer should be deployed.

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