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Service Quality and Customer Satisfaction: The Case of Cellular Phone users of Ethio-Telecommunications in Ambo Town

By Daniel Tadesse Tulu

Ambo University, Ethiopia

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I. BACK GROUND OF THE STUDY

Telecommunication service was introduced first in Ethiopia during 1894 when the construction of the telephone line from Harar to the capital city, Addis Ababa (Finfinnee), was started. Later, in 1932, Ethiopia become a member of the international telecommunication union (ITU) immediately before the Italian invasion of 1935 and radio communication was introduced following the establishment of radio circuit links with Djibouti, Aden, Cairo and London. The companies was placed under the auspices of the ministry of post, telephone and telegraph (PTT) and then reorganized as imperial board of telecommunications of Ethiopia (www.ethio-telecom.et).

On November 1996 the telecommunications sectors was restructured and two separate independent entities namely the Ethiopian Telecommunications authority (ETA) and the Ethiopian Telecommunication Corporation (Ibid).

The corporation in 1996 has enhanced the development of telecom infrastructures and quantity of

service in both Rural and urban areas in the most efficient and timely manner. Ethiopian government has decided to focus on the improvement of telecommunication services, considering them as a key lever in development of Ethiopian. Then Ethio-telecom is born in November 2010 from this ambition of supporting the steady growth of the country (Ibid).

Ethio-telecom has played great role in fostering the growth and prosperity of the economy of Ethiopia by making communication faster than before. Even though it is crucial for development it has got sorts of problems nowadays. Although customer service in Ethio-telecom has shown some improvements all customers are not equally satisfied. It is observable that in Ethiopia Telecom faces variety of problems which in turn may cause customers dissatisfaction. There are few or no researched done previously on services delivered by telecommunication and customer's satisfaction in Ethiopia particularly in Ambo town. Hence this paper tries to identify what are the factors that make customers of Ethio-telecom which are cellular phone users dissatisfied for a better understanding of the relationship that exists between customer and service delivered by Ethio telecom in Ambo town.

II. OBJECTIVE OF THE STUDY

The general objective of the study is to assess service delivery and customer satisfaction of mobile users in Ethio-telecom in Ambo town.

a) Specific objectives of the study includes

- ✓ To investigate customers response on quality service provided by Ethio telecom in Ambo town
- ✓ To identify factors which affect customer satisfaction on service provided by Ethio telecom in Ambo town
- ✓ To know the level of customer satisfaction on service provided by Ethio telecom

b) Research question

The research addresses the following main questions

- ✓ What is the attitude of customers towards to the service delivered by Ethio telecom?
- ✓ What factors affect customer satisfaction in Ethio telecom service?
- ✓ What is the status of satisfaction of customers?

Author: Ambo University, Department of Marketing, Ethiopia.
e-mail: danitadesse@gmail.com

III. REVIEW OF RELATED LITERATURES

Customer satisfaction depends on the products perceived performance relative to a buyer's expectations. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted. Highly satisfied customers make repeat purchases and tell others about their good experience with the product. (Kumar; 2006)

Customer Satisfaction is an important element of every business and a key for achieving the organizational objectives. Hence it must be well understood and communicated by every individual in the organizational structure. Every single individual should accomplish tasks by considering how that particular task can affect the level of customer satisfaction. (Palmer, 2001)

Activities that do not add any value for the customer should be avoided or improved to value adding activities, and customers are not willing to pay for those activities which are not value adding. Instead, they only want to pay for value adding activities. (Michael Wing 1993). According to the above scholar, business organizations should focus on those activities that add value to their customers and anything else should be avoided or set in order to satisfy customers (Michael Wing, 1993).

It is over a decade now that the Nigerian government success fully liberalized its Tele communication sectors and brought into existence Global system of Mobil GSM the study showed that customer satisfaction was influenced by age income perceived quality and perceived value but not pre purchasing expectations. Global System of Mobil GSM operators in Nigeria discovered that as revolutionary Global System of Mobil GSM problem identified were instability in power supply. Security of infrastructure and inter network connectivity. They stated that all this factors were controlled by the endogens variables and the firm has control over them. So they could effectively used to ensure customer satisfaction (Adegoke *et al* 2008).

According to the telecommunication sector in Pakistan has done outstandingly well in the past few year mainly because of liberalization of global trade and investment industry as well as opening local business to modem technology. It took drastic change as government took the initiative to make it a larger player of the industry. At the time of independence Pakistan has in net and insufficient telecom base of 1400 landlines. At that phase post telegraph and telephone were acting as one unit later in 1962 both were alienated to establish autonomous postal department and telephone and telegraph department. In the year 1990 Pakistan started to reform measures which were meant

to encourage private sectors participation. As per United Nations prediction Pakistan's population is likely to grow to 190 million by 2018(Ibid).

Despite the economic down fall deregulation of the telecom industry of Pakistan has reveled positive but slow growth in terms of revenues and subscribes. Telecommunication of the countries density has jumped from 44.06% in 2006-07 to 58.8% in 2007-08 cellular mobile segment of the industry has been try in Pakistan. Cellular subscribers grew by about 40% in the year 2007-08, as against 82% in 2006-07 and more than 100% during 2005-06, as PTA (Pakistan telecom industry; 2009) has fried to put the cellular industry in to new stage with the prominences on quality, value added services with the aim of satisfying customers.

In September, 2000, a national telecommunication policy was formulated to provide Nigerians with the basic framework and primary building block for the much desired telecommunication revolution in the country. A major event was the launch of the Global system of mobile (GSM) communication service in 2001 and the privatization of Nigerian telecommunication limited (NITEL).

IV. METHODOLOGY

The study uses the total Mobile phone users in Ambo town as population. As per the information got from the Ethio telecom Ambo branch the total populations of the customer of Ethio telecom those who are mobile phone users are estimated to be around 30,000 and out of this total population 500 customers are taken as a sample. The study purposely taken equal size of male and female respondents i.e. 250 each to treat the view of both gender in the service equally. Primarily data is collected via questionnaire and interview from customers of Ethio telecom, employees and Branch manager. The sample size calculation is based on carvelo (1984). The sampling technique employed is simple random sampling. It is appropriate to use it because customers are selected randomly regardless of where they are (workers of government, students, teachers and others) who dwell in the town of Ambo. This implies sampling procedures is free of biases towards one particular groups of users rather include with diverse demographics and employment status.

Population	table for determining sample size		
	Low	Medium	High
59-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
1001-35000	125	315	500
35001-150000	200	500	800

a) Age of respondents

The study deliberately excluded customers with the age of below 18 because it assumed peoples below 18 are not matured to explain things objectively.

as observed from the table below the respondents are high in the age interval of 18-25 and 26-35 followed by 36-45 and over the age of 46.

Table 1 : Age distribution of the respondents

Age Interval	Male	Female	Total	Frequency
18-25	68	74	142	0.284
26-35	76	64	140	0.28
36-45	59	75	134	0.268
Over 46	47	37	84	0.168
Total	250	250	500	

Source: questionnaire response, 2015

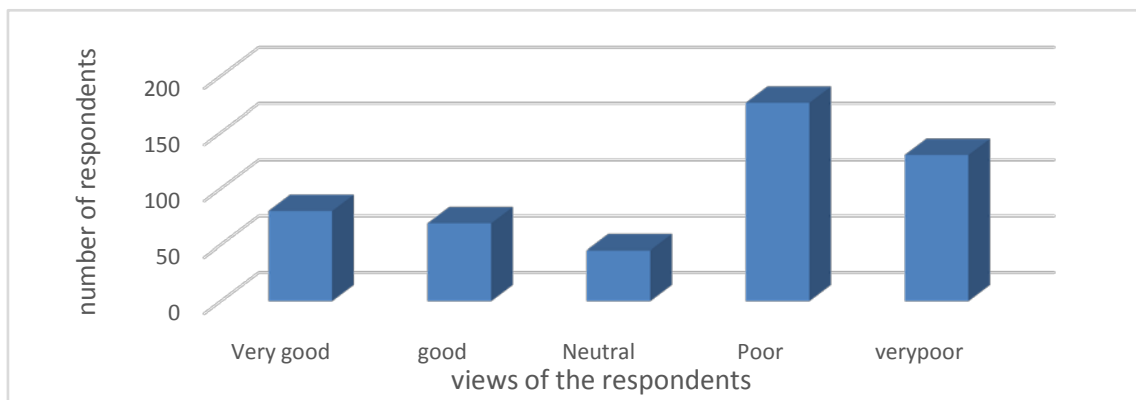
Table 2 : Duration of customership in the mobile phone service

Year of Customership	Number of Respondents		Total
	Male	Female	
1-5yrs	89	58	147
6-10yrs	70	87	157
above 10yrs	91	105	196
Total	250	250	500

Source: questionnaire response, 2015

As depicted on the above table the number of customers of Ethio-telecom is increasing as the year of stay increases i.e.147, 157 and 196 for the year stay of

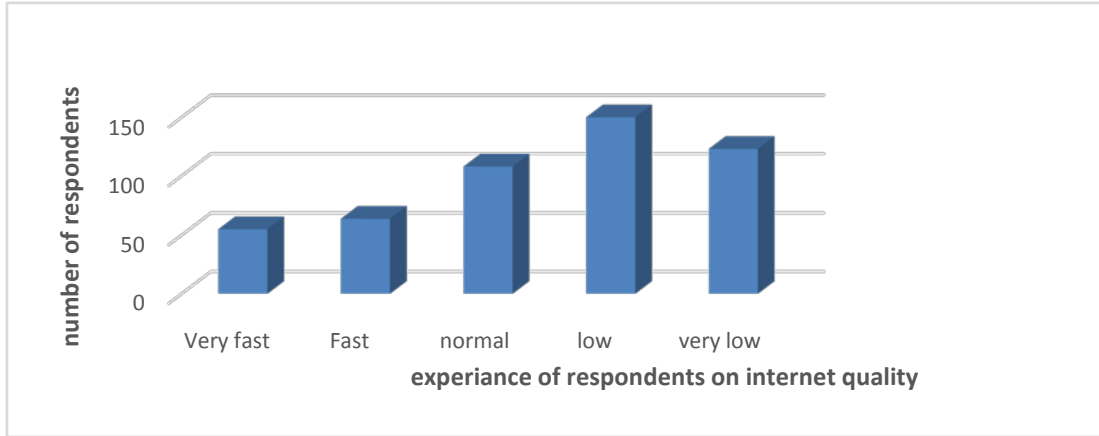
1-5, 6-10 and above 10yrs respectively. This shows that most of the customers are experienced in the service of the Ethio telecom.



Graph 1 : Ethio- telecoms' quality of mobile network

As shown in the above graph 35% of the total respondents said the quality of the network and services provided by Ethio telecom around Ambo area is poor followed by very poor which is rated as 26% of the total respondent. Other respondents reacted on the question about the quality of the network rated as very good and

good which are 16 and 13 percent of the respondents. Other 9 percent of the respondents remains as neutral and said it is difficult to say it is good or bad. Generally it can be concluded that Ethio telecom mobile network quality is poor from the response of 130 respondents out 500 compared to the charge they paid.



Graph 2 : Quality of internet service provided by mobile phone by Ethio- telecom

It can be easily understood from graph 2 that the quality of internet service provided by Ethio telecom is low. This is represented by 30% of the respondents. Followed with very low quality which accounts about 25%. About 21% of the respondent replied the quality

and speed of the internet service that is given via mobile phone is normal. To sum up Ethio telecom mobile internet service is very slow due to different factors like strength of the network or the type of the technology they are using.

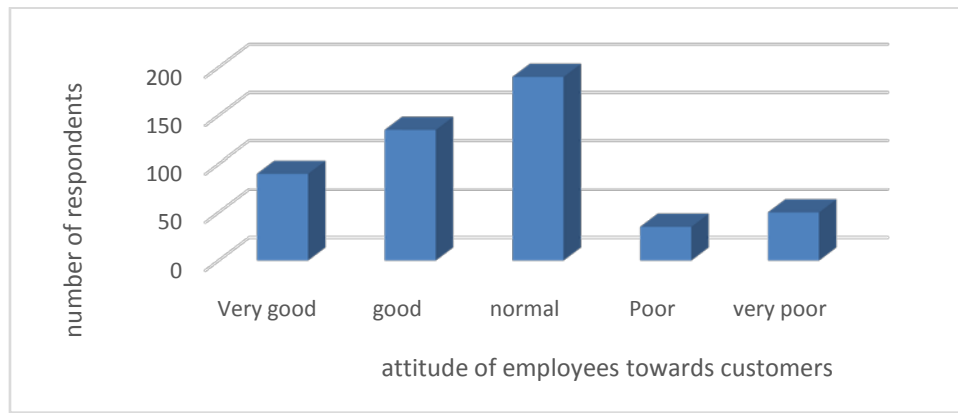
Table 3 : Satisfaction level of short message service (SMS)

Response	Respondents Number	percent
Very good	70	0.14
Good	170	0.34
Normal	168	0.336
Poor	50	0.1
Very poor	42	0.084
Total	500	

Source: questionnaire response, 2015

As it can be observe from table 3 above most of respondents said the satisfaction level of short message service is good which represented by 34% out of the total respondents followed by normal level of satisfaction which comprises nearly equal to good satisfaction which is 33%. Out of the total respondent 10% responded that the quality of short message service provided by Ethio telecom is poor due the factors. According to the response of the respondent short message service is irritating sometimes due inability of the service to deliver the message to the receiver which is owe to poor network facility. In addition to the service itself the charge amount per message is not appropriate. The other factor mentioned as a problem by the respondents is message sent to the receivers reaches after a week sometimes which in turn means it is not timely service and it reaches after the issue of the subject expired. Some other customers

said that advertisement sent to each and every mobile user is not by consent of the user which can create a sort of discomfort on the service. Generally it can be concluded that more or less compared to other services like call service short message service is good and normal the customers of Ethio telecom.



Graph 3 : Ethio-telecom employees attitude toward their customer

As it is clearly shown on the graph employees are normal in serving the customers when they are in need of a solution from Ethio telecom. This represented by 38% of the respondents. More over handful number of respondents said the attitude of the staff towards the customer is good. this accounts about 27% of the in the same manner 7 % said the way some employees

responds to the questions and services is unethical and includes insults and go out of the office while the customer is there to demand the service as respondents replied. Therefore it can be concluded that there is good customer handling by employees of Ethio-telecom of Ambo branch which makes the respondents happy and satisfied to be their loyal customer.

Table 4 : Assessment of price of mobile phone services

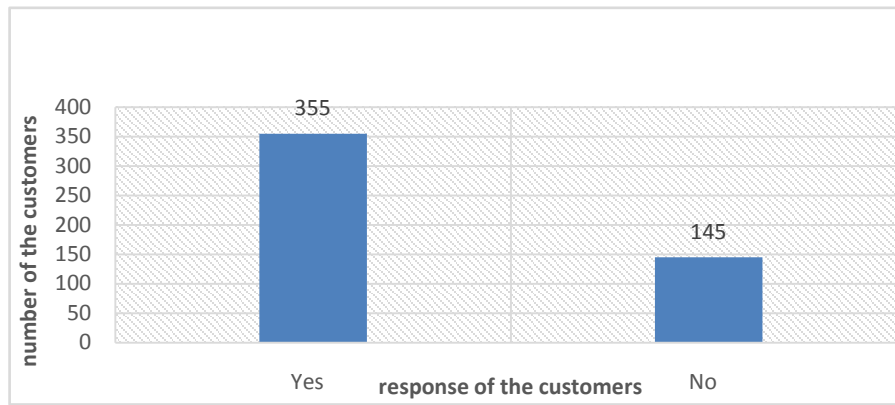
Item	Response	Respondents in Number	In percent
Do you agree that Ethio-telecom price for its services is fair?	strongly agree	15	0.03
	agree	30	0.06
	normal	120	0.24
	disagree	200	0.4
	strongly disagree	135	0.27
	Total	500	

Source: questionnaire response 2015

Concerning the price of telecom with the relation to the services provide by the telecom customers has replied that 40 percent are disagree. 27 percent and 24 percent are respectively responded strongly disagree and normal. Only 3 and 6 percent of the customers replied that strongly agree and agree respectively. Generally it can be concluded from customers reply that the price telecom charges for its services (individual call, group call, internet and voice call-currently launched) is not fair price which is exhibited by significant portion of respondents.

Communication is a heart of any business organizations as well as individuals since without communication nothing can be achieved. With this regard the role of telecommunication is very crucial. To this end there are various platforms for communication purpose which are delivered by telecom. The first and the most commonly used service is calling service which comprises individual as well as group calling. Any call from mobile to mobile, mobile to land line and vice versa

across regions will cost the caller 72 cents per minute in the peak hours, when the air traffic of the service provider is at its busies and the whole days excepts Sunday and hours starting from 9 PM to 7 AM. In case of group calling the price is multiplied by number of peoples involved in the call. The other is internet service which is also not fair especially after 3G is started. It is very expensive and most customers are unregistering from the service due to its high and unfair charge. The other service and newly launched service is voice mail which charges more than 3 birr per a single voice mail which is also expensive. Finally the SMS (short message service) is the most commonly used one. The price for one SMS compared to other services is fair since it is 35 cents.



Graph 4 : Willingness of customers to stay as loyal

The above graph portrays that about 71 percent of the respondent shave an intention to shift to any private telecom if available due to various reasons like high charge for the services, poor network coverage and quality; and other reasons. The idea behind shift of the customers is that if there is other private competitor in telecom industry there may improvement of quality of mobile phone services. This is as a result of a competition among existing firms in the telecom industry. The rest 29 percent has still a desire to stay as a customer despite the dissatisfaction and other inconveniences. These respondents on their side said they don't want to shift other private telecom because they have a fear that private company may charge above Ethio-telecom to maximize profit rather than fulfilling need of the customer. They added there is no expectation that private telecom handle customer in a good manner and give consideration of the whole population better than the current one. Due to these reasons these customers wants to stay loyal to Ethio-com and they have not only intention to shift other private telecom at all.

b) Interview with the branch marketing and sales officer

As clearly pointed out in the methodology part interview is one of the data collection tool regarding the study. Accordingly to make data collection more reliable and correct interview is held. Regarding service provision, Ethio-telecom is rendering the service in a manner that can satisfy the customer's desires. The customers are using the service to facilitate their day to day tasks and performances. The officer added that Ethio-telecom of Ambo area is working hard to improve and quality of the mobile phone service dramatically so as to achieve its purpose (customer satisfaction). Concerning the level of customer complaints on the mobile service offered by Ethio-telecom marketing and sales officer replied that Ethio-telecom of ambo area has all indispensable mechanisms which are designed to handle complain of customers. The officer is added that the telecom has complain desk call center i.e. 994 on which customers can complain and express their

dissatisfaction on different types of services. For example, they can ask questions concerning failure of network service, problem of balance recharging, how to use particular service and about other services provided by the telecom.

V. CONCLUSION

Depend on the data gathered from customers as well as marketing and sales officer of Ethio-telecom Ambo branch the following conclusions are drawn.

- Regarding mobile phone service there are problems which appears while calling or receiving calls like of *network busy, error in connection, call ended, no network coverage and number busy*. Hence it can be summed up that there is low quality network around Ambo area.
- There is a slow mobile internet connection which owes to poor network coverage and strength.
- Ethio- telecom gives mobile phone services like short message service (SMS), call, internet, voice mail and others with expensive price. Relatively the price paid for one SMS is good.
- Most customers have an idea to shift to other private telecom is available because of poor quality of connection, network coverage, high of price charge and others.
- Ethio-telecom employees' attitude toward their customer is more of normal. That means employees are treating the customers whenever customers come up with complains and questions regarding the services.
- Generally most customers of Ethio-telecom around Ambo area dissatisfied due to the reasons like poor network quality, high price charge and sometime scharge above service consumption. However some respondents are satisfied by customer handling, quality SMS and delighted by newly launched 3G internet services.

VI. RECOMMENDATION

According to the discussion and analysis the following recommendations are forwarded to enable Ethio-telecom to have quality customer service and good customer satisfaction. Those possible recommendations are:

- The Ethio- telecom should give continuous training to their staff members on how to handle their customer's complaints better. This enhance them to give possible appropriate answer and good handling for complains.
- In order to solve poor network quality and coverage problem Ethio-telecom ought to take the following measures;
 - ✓ Diversify network system options so that network is highly available and gives quality services.
 - ✓ Import modern machinery and technology of network which can provide better service to telecom industry.
 - ✓ Hiring and giving a continuous training for technical operators of network systems so that network problems will get solved soon.
- Ethio- telecom have to utilize new technological invention of mobile phone services in order to satisfy its customers through adoption of foreign country technology of telecom to improve service delivery system of internet network.
- Since the payment of various serviced provided by Ethio-telecom is expensive there should be a mechanism devised to revise the payment amount through benchmarking other countries in the world where there is optimum payment system.

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