

Analyzing Customers' Perception of Service Quality of Ghanaian Telecommunication Industry

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Abstract

Competition is supposed to bring about efficiency in the quality of service in an economy. In spite of the establishment of several telecommunication industries in Ghana, the quality of service has been questionable and woefully inadequate. This paper seeks to investigate customer perception of service quality. Therefore, the study was basically a survey based on the use of questionnaire to elicit the opinions, attitudes and behaviors of respondents. Descriptive statistic was the main framework used for analyzing the data. The results indicate that customers subscribe premium to wider coverage, clarity of calls and affordability of call cards as their expectation of service quality. The findings further revealed that much as customer satisfaction was expected to be a determinant of customer loyalty, the results showed otherwise. It can thus be concluded that service quality can translate into customer satisfaction but cannot translate into customer loyalty through customer satisfaction.

Keywords: service quality, telecommunication, customer loyalty, customer perception, SERVQUAL model

1.0. Introduction

Currently, one of the greatest challenges facing industries is ever-growing competition. There is continuous increase in customer expectation (Joseph and Walker 1988; Leonard & Sasser, 1982; Takeuchi & Quelch, 1983) and customers' subsequent demand as service improves (Ettorre, 1994). Customers are becoming critical of the quality of service they experience (Albrecht & Zemke, 1885), forcing industries to shift from traditional customer satisfaction paradigm, to adopt proactive strategies, which will assist them to take the lead in the market place.

One strategy, which has gained grounds, in services, is the concept of quality and its management. According to Berry et al., (1988), Service quality has become a great differentiator and the most powerful competitive weapon, which many leading service organizations possess.

The customer's perception of quality of service is based on the degree of concordance between expectations and experience. Where comparability is apparent, the customer is deemed to be satisfied.

Delivering superior quality service has been recognized as the most effective means of ensuring that a company stands out favorably among other competitors offering similar services (Parasuraman et al., 1991). There is a need to offer superior service (Parasuraman, 1995), and to exceed customer expectation (Berry & Parasuraman 1991; Klose, Wren 1988), as opposed to merely satisfying customers' needs (Brown et al., 1992; Timmers & Wiele, 1990).

In Ghana, service provision has always suffered a setback as service firms have always been criticized for providing poor quality of services.

In Ghana, Telecommunication has been seen as one of the economic backbone of the country's income generation. License has been given to six different major Telecommunication service providers in Ghana, rendering them a good platform for stiff competitions among themselves, which create a robust and aggressive market for the explosion of wireless communication.

In spite of the establishment of these telecommunication industries, the quality of service has not been up to scratch. The question therefore is why are customers still loyal to these service providers? What factors then may account for the loyalty of these customers?

This paper seeks to establish customer's perception of quality of service and how it affects their loyalty to MTN-Ghana.

1.1 Objectives of the Study

General Objective

The objective of this study is to establish customer's perception of service quality and how it affects their loyalty to MTN network.

The specific objectives

To;

- ✚ Establish the factors that influences customers' choice of MTN as a preferred network.
- ✚ Ascertain customers' expectation of MTN services.
- ✚ Find out customers' perception of MTN services.
- ✚ Determine customers' most important service quality attribute of MTN service.
- ✚ Determine the key dimensions of service quality.

1.2 Research Questions

The following research questions were considered for the study.

- ✚ What factors influences customers' choice of MTN as a preferred network?
- ✚ What are the expectations of customers on MTN services?
- ✚ What perception do customers have about MTN services?
- ✚ What are customers' most important attributes of MTN service quality?
- ✚ What are the key dimensions of service quality?

2.0. Literature review

2.1. Definitions of Perception

According to Schiffman & Kanuk (1988) perception is a "complex process by which people selects organized and interpret sensory stimulation into meaningful and coherent pictures of the world". Bourne & Ekstrand (1979) defined perception as the process by which the brain constructs an internal representation of the outside world.

2.2 Services Defined

There is no universal definition of service, Hinson (2005). A service is an activity or service of activities of a more or less intangible nature that normally take place between the customer and the service employee or systems of the provider which are provided as solution to customer needs and problems. Zeitham & Bitner (2000), define service as deeds, processes and performances. Following from this, service is represented to the client through problem analysis activities, meeting with the client follow up calls, and reporting, which constitute a service of deeds, process and performance. Kotler (2003), Indicated that service comprise of any act or performance that one party can offer to another that is essentially intangible and does not result

2.3 Service Quality Defined

Service quality is a consumer overall impression of the relative inferiority or superiority of an organization and its service (Bitner & Hubbert, 1994). Mackay and Crompton (1990), defined service quality as "the relationship between what customers desire from a service and what they perceive that they received". Additionally, service quality is also a way of thinking about how to satisfy customers so that they hold positive attitudes toward the service they have received (Ostrowski et al. 1993). Parasuraman et al. (1988) assert that "service quality is an all-over evaluation of an entity's excellent or superiority and this judgment or evaluation is similar to attitude and relate, but not equivalent to, satisfaction".

2.4 Dimension of Service Quality

Parasuraman et al., (1985), identify ten dimensions of service quality: Reliability, responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding/ Knowing the customer and tangibles. They added that the ten dimensions represented what "consumers use in forming expectations about and perception of service". It was also recognized (parasuraman et al, 1985) that overall quality evaluations involve assessing processes as well as outcomes. Gronroos (1985) had earlier labeled it technical and functional quality. The ten dimensions of service quality became five when Parasuraman et al. (1988) developed SERVQUAL, a multi-item testing scale for measure consumer perception of service quality. The author presented evidence of the scale's reliability, factor structure and validity, while explaining the rationale behind downsizing their dimensions. They proposed that the five specific dimensions of service quality including reliability, responsiveness, assurance, empathy, and tangibles exist and apply regardless of the service industry. The main important service quality dimension to customers is reliability.

The SERVQUAL scale was scrutinized further in a study by Mels et al (1997). The authors concluded that the empirical factors structure of the SERVQUAL scale consisted of two factors rather than the five suggested by Parasuraman et al., (1988). They labeled the two factors intrinsic and extrinsic quality, that the two

factors solution facilitated better interpretation because they exhibited consistency across countries, scales, diverse service industries and sampling procedures. Intrinsic quality encompassed the items relating to the direct (Responsiveness, Assurance and Empathy) and indirect (Reliability) actions of frontline employees. This was comparable to what Lehtinen and Lehtinen (1985) called interactive quality. Similarly, extrinsic quality resembled Lehtinen and Lehtinen's physical quality dimension. This study is interested in the appropriateness of the SERVQUAL scale to telecommunication industry in Ghana where traditional operationalization of the concept is sparse. It also examines the effect of service quality on customer satisfactions and how satisfaction transforms into loyalty.

These dimensions and the perception-based SERVQUAL instrument, have been the subject of some criticism for their completeness, appropriateness in a variety of setting and the use of a perception-based instrument for measuring service quality (Carman, 1990; Cronin & Taylor, 1992; and Finn and Lamb, 1991). Despite this criticism, these dimensions and the SERVQUAL instrument have basis for a considerable amount of research and application in the field of service management. In terms of the focus of this study there are two additional concerns with Parasuraman et al., (1988) work. First, although the SERVQUAL instrument allows users to include relative weightings for the dimensions, there is some uncertainty about their relative importance. Reliability was the most critical dimension, followed by responsiveness, assurance and empathy. The tangibles were least concern to service customers. While one could argue that tangibles are not quality dimensions but an element of the service itself, where the reliability or functionally, for example, of the tangibles are quality dimensions, it seems evident that in some service situations, such as retailing, the "tangibles" constitute the core purchase. Second, Parasuraman et al., (1988) do not distinguish between the effects of the dimensions in terms creation of satisfaction or dissatisfaction. It is assumed that they are the two sides of the same coin implying, for example, that an organization which opens and closes erratically (reliability) will lead to dissatisfied customers, and therefore an organization which opens and shuts precisely on time will lead to delighted customers.

3.0. Research methodology

This study used primary sources in a form of "customer's survey" questionnaire in obtaining the perceptions of targeted population of subscribers of MTN network. A sample size of 200 was conveniently chosen and randomly given the questionnaires. An extensive review of the available literature provided the foundations for further investigation. The study also collected data from secondary sources such as the Internet, articles, and books.

In all, this study adopted a descriptive research design with descriptive data analysis and quantitative research approach.

4.0 Results and Discussion

4.1. Factors that Influence customers' choice of MTN as a preferred network

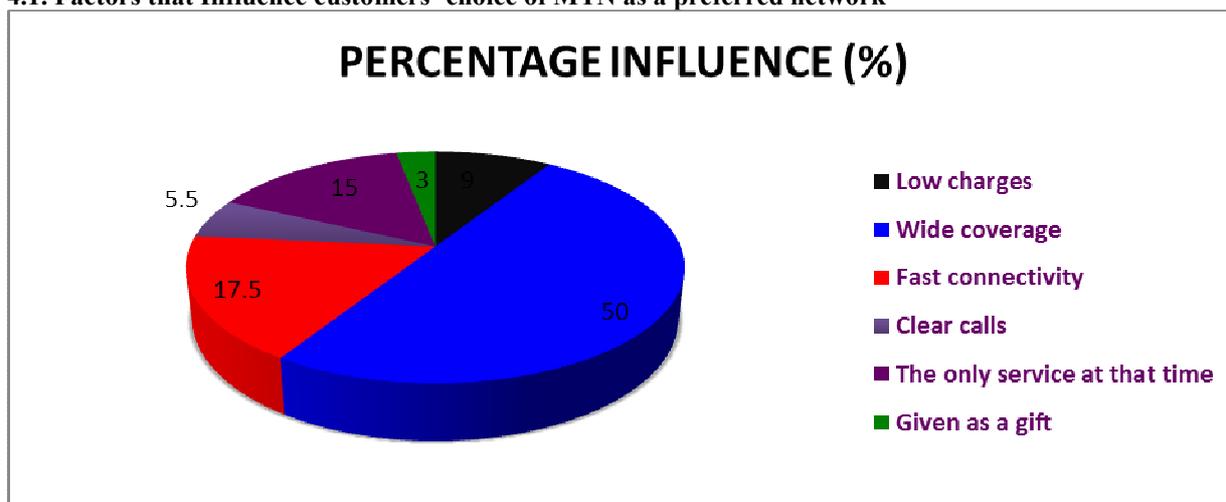


Figure 1: percentage Influence of Customers' preference for MTN network

Source: field survey, 2015

With regards to the factors that influence respondents' preference for MTN network, the analysis in the chart above shows that 9% of the respondents indicated low charges influence their choice, 50% mentioned wide coverage as an influencing factor in determining their choice of MTN. The chart further shows 17.5% of the respondents indicated that it was fast connectivity, 5.5% of the respondents were influenced by clear calls, and 15% of the respondents indicated they chose MTN because it was the only service available at that time.

However, 3% of the respondents said it was a gift. What can be deduced for the above findings is that, there are many factors that determine customers' choice of MTN service. Yet wider coverage takes precedence among the other variables.

4.2. Customers' Expectations on Service Quality of MTN

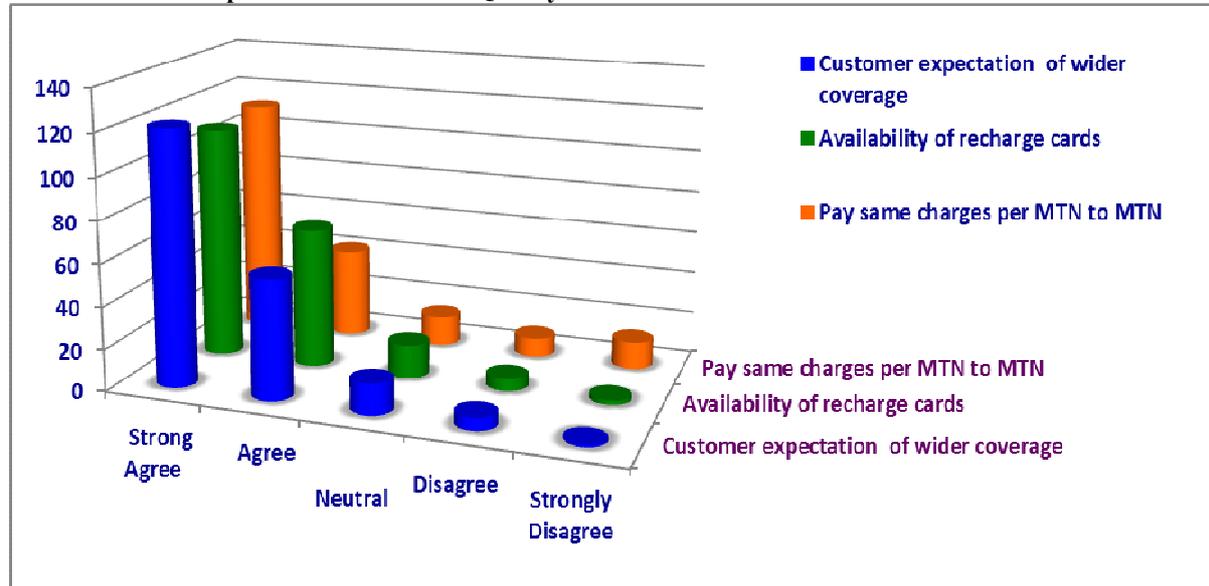


Figure 2: Customer Expectation on Service Quality of MTN
 Source: field survey, 2015

As indicated in the analysis in the chart above majority of the respondents (121) Strongly Agree that MTN has a wider coverage, 57 Agree, 15 remained Neutral, 6 Disagree that MTN is expected to have wider coverage with only 1 Strongly Disagree. Majority of the respondents (110) Strongly Agree that MTN recharge cards are available countrywide, 66 of the total sampled Agree that MTN recharge cards were available countrywide, 16 were Neutral, 6 Disagree, while 2 Strongly Disagree. Out of the 200 respondents, 112 Strongly Agree with the statement that they expect pay the same charges to other network as per MTN, 42 Agree with the statement, 14 were Neutral with respect to the statement, 9 Disagree and 13 Strongly Disagree. The second research objective, which was to ascertain customer expectation on service quality, was achieved.

4.3. Perception of Service Quality

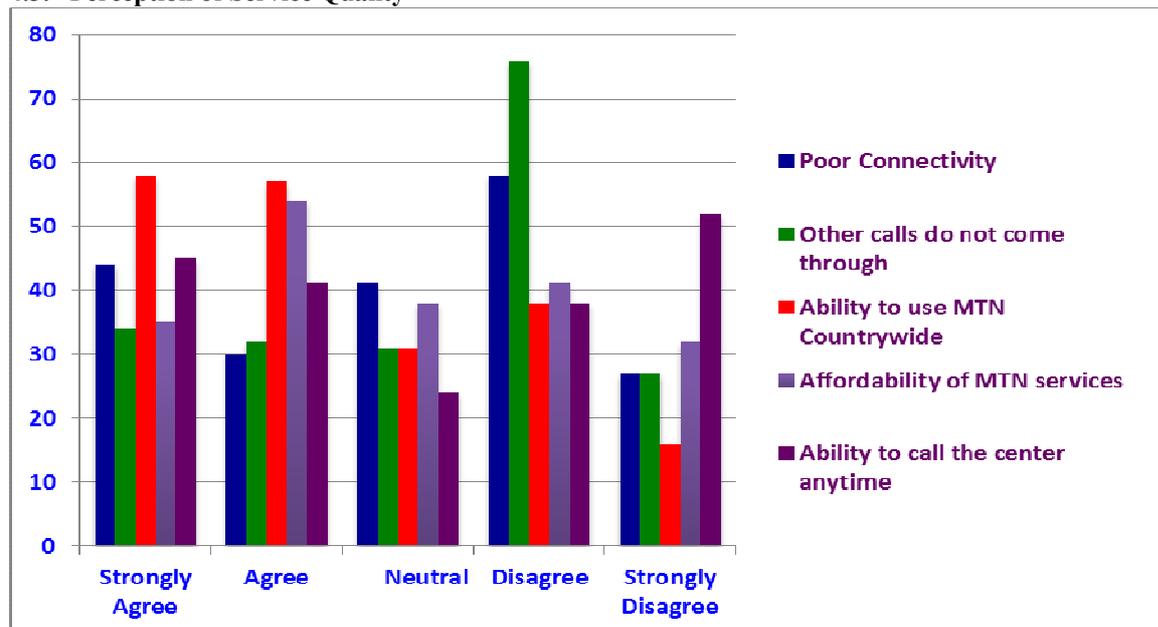


Figure 3: Customers perception of service quality

The above analysis in the chart indicates that MTN having poor connectivity, 44 of the respondents

indicated “Strongly Agree”, 30 indicated “Agree”, 41 indicated “Neutral”, while 58 of the total respondents indicated “Disagree” and 27 indicated “Strongly Disagree” with the statement. As shown in the chart 34 Strongly Agree that calls from other networks do not come through, 32 Agree, 31 remained Neutral, while 76 of the total respondents Disagree with the statement that calls from other networks do not come through with 27 strongly Disagree with the statement. Also from the chart 58 of the respondents strongly Agree that they were able to use MTN countrywide, 57 Agree, 31 remained Neutral, while 38 of the total respondents disagree with the statement with 16 strongly disagree with the statement. Additionally, 35 of the respondents Strongly Agree that MTN services are affordable, 54 of the respondents Agree, 38 were Neutral, 41 disagree and 32 strongly disagree. Again 45 of the respondents strongly Agree with the statement that they were able to call center anytime, 41 Agree, 24 were Neutral, 38 disagree and 52 strongly Disagree. With the above findings, the third research objective was achieved.

4.4 Service Quality attributes

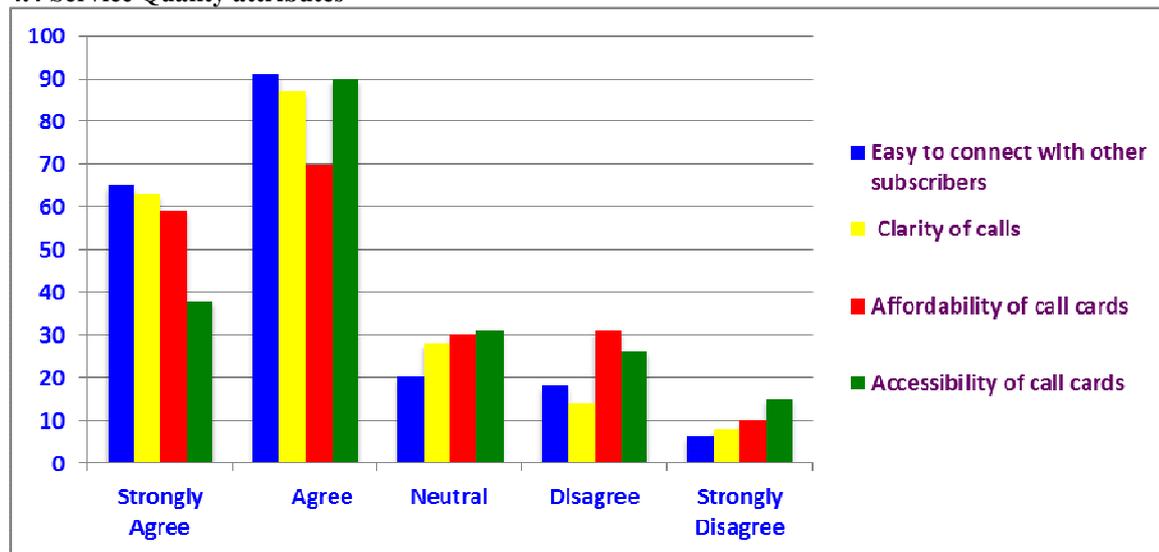


Figure 3: Service quality attributes

As seen from the analysis in the chart above, 65 strongly Agree that service quality implies clarity of calls, 91 Agree, 20 Neutral and 18 Disagree, while 6 of the total respondents Strongly Disagree. The survey further indicates that 63 Strongly Agree that service quality implies affordability of call cards, 87 Agree, 28 remained Neutral to the statement, 14 Disagree, while 8 of the total respondents Strongly disagree that service quality implies affordability of call cards. Further, 59 of the respondents Strongly agree that service quality means being able to connect to others subscribers, 70 Agree, and 30 remain Neutral to the statement, 31 Disagree, while 10 of the total respondents strongly Disagree. Again, 38 of the respondents Strongly agree that service quality means being able to connect to others subscribers, 90 Agree, and 31 remain Neutral to the statement, 26 Disagree, while 15 of the total respondents strongly Disagree.

Therefore, the fourth research objective, which was to determine customers’ most important attribute of quality service, was achieved.

4.5 Service Quality Dimensions

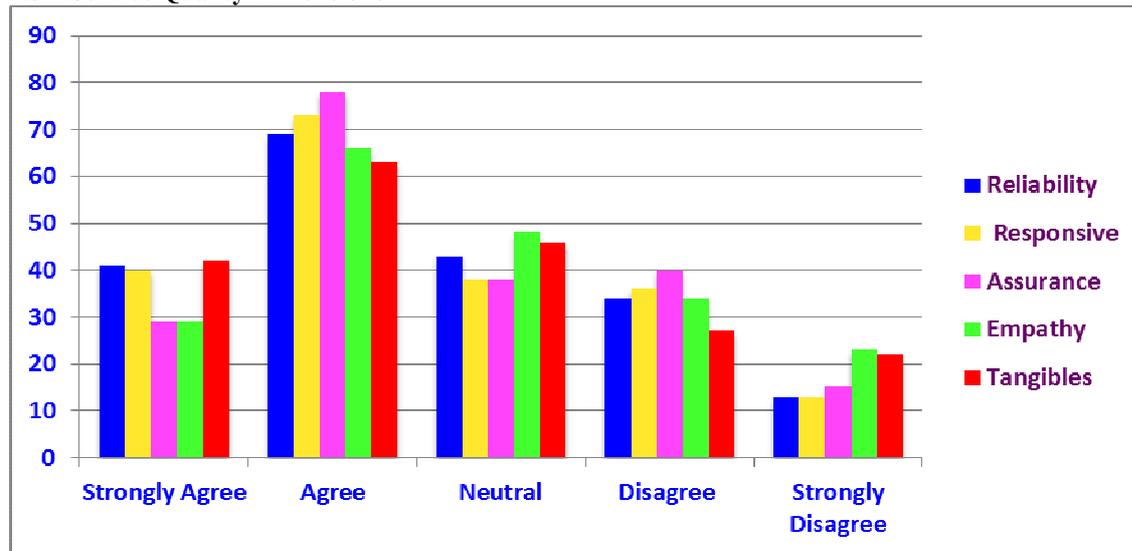


FIG 7: Service Quality Dimensions

Source:

As shown in the analysis above 41 Strongly Agree that MTN is reliable to perform the promised service quality accurately and on time, 69 Agree, 43 remained Neutral to the statement, 34 Disagree and 13 strongly disagree with the statement. The chart further shows 40 Strongly agree that MTN is responsive I helping its customers and providing it with good, fast and quality service, 73 Agree, 38 remained Neutral, 36 Disagree, while 13 strongly Disagree with the statement. Again 29 respondents of the total sampled Strongly Agree that MTN is able to give assurance in services provided, 78 Agree, 38 remained Neutral, 40 Disagree and 15 Strongly disagree with the statement. The chart further indicates that 29 respondents of the sampled population strongly Agree that MTN empathies with customers and gives attention to customers at all times, 66 Disagree, 48 remained Neutral and 34 disagree and 23 Strongly Disagree with the statement. The analysis also revealed significant information on subscribers' view on the fact that physical facilities, equipment and personnel create positive impression on customers. Out of the 200 respondents, 42 indicated they Strongly Agree, 63 Agree, 46 were Neutral 27 of the respondents disagree and 22 Strongly Disagree. With the above findings, the objective of the research was achieved.

5.0. Conclusions

These findings imply that providing quality service is critical for customers to stay with a telecommunication service provider. There is a positive relationship between service quality and customer loyalty to the industry. This means building customer loyalty depends, to a large extent, on ensuring that the firm maintains high service quality standards. Putting in place quality mechanisms will drive customer loyalty to a greater height. These quality measures as have been suggested in most empirical works are contained in the SERQUAL framework made up of variables such as courtesy, tangibles, reliability, responsiveness, competence, communication, access, security among others. It can be concluded that for customers to be loyal, telecommunication firms provide appealing sales points, wide coverage, comfortable and convenience office location as well being responsive to their requests.

Finally, the behavior of MTN's customers is such that they still remain loyal even when they are not satisfied with the service they receive. If the company should further improve upon its services, their customers are likely to stay with them for a very long time and possible strengthen their relationship with the company.

5.2 Recommendations

The following are recommended for MTN and other Telecommunication Industries. If customer trust is limited or absent, there is no foundation for a permanent in today's competitive environment if an organization is to maintain market leadership. It is through customer delight that an organization achieves customers' loyalty and honest participation, in relationship. This is, the key to continuous improvement and sustained superiority.

There is a need for customer-contact personnel to take responsibility, and respond well to pressures from customers.

Furthermore, it is recommended that MTN should extend its coverage throughout the country since most of the customers are geographically dispersed and also remained loyalty to MTN because of its coverage.

Again most of the customers are within the youthful age bracket, which constitutes early adopters.

Therefore, it is highly recommended that management should focus on innovative services and products to entice this youthful population.

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