

An Analysis of Service Quality for Customer Satisfaction at Tanzania Posts Corporation

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Abstract

Tanzania Posts Corporation (TPC) was established in 1994 to provide a national postal service within the United Republic of Tanzania, and a link between Tanzania and the world. To provide efficiently universal quality Postal services that meet customer expectations. This paper provides a wide - ranging review and analysis of service quality for customer satisfaction at Tanzania Posts Corporation (TPC), with a special focus on EMS services was considered as the platform. Data were collected from a total sample of 30 customers out of 125 customers using questionnaires and from 6 EMS staff and management using interviews. Also, data were analyzed using both qualitative as well as quantitative methods.

Keywords: Customer Satisfaction, Expedited Mail Services, Service Quality, Tanzania Posts Corporation.

1. Background of the Study

The historical perspective of Postal services in Tanzania can be traced since 1880's where the German colonial power established the Postal and Telegraphs facilities in the then Deutche East Africa (today's Tanzania mainland, Rwanda and Burundi). Since then, the facilities were administered jointly under different regimes in East Africa. In 1977, the joint arrangement came to an end and the government of Tanzania set up the Tanzania Posts and Telecommunications Corporation (TP&TC). Due to the movement of public sector reform in 1993, the government re-organized Postal and Telecommunications sectors thus established Tanzania Posts Corporations (TPC) as the public postal operator as separate entity from Tanzania Telecommunication Company Limited (TTCL and Tanzania Postal Bank (TPB). The Tanzania Posts Corporation is wholly owned by the Government of Tanzania and to date it is placed under the Ministry of Communication, Science and Technology. The government through the ministry is responsible for policy formulation, general direction and control of the postal sector in the country (The Tanzania Posts Corporation Act, 1993).

Postal services which formally were run only by TPC were economically reformed by the programme undertaken by the government of Tanzania in 1990's resulted to trade liberation in many sectors including postal services. The monopolistic dominance in carrying out postal services by TPC was then removed. The reform allowed the entrants of other service providers in the market and eventually the competition in the business (TCRA Act no. 12 of 2003). This way has provided choices on where to go and get services on the side of customers. It has also enabled customers to compare the level of service delivery among service providers something that was not there before. On the other side, service providers have realized the importance of pleasing and maintaining their customers in order to continue being in the market. Every service provider understands that a customer is a precious and the question of offering demand driven products or services has become order of the day.

At present, the Tanzania Posts Corporation has three core business units namely, Mail Business (MB), Financial and Agency Businesses (FAB), and Expedited Mail Services (EMS) (www.posta.co.tz). This study focused on the EMS business which was established by TPC in 1994 for the purpose of providing accessible, affordable and reliable courier services to all Tanzanians wherever they reside. Courier services in the United Republic of Tanzania are provided by the Tanzania Posts Corporation through EMS business as well as by a number of privately courier companies. Currently, there are 47 registered courier operators (as per table 1) and, other non-registered courier operators both competing in the market.

Table 1: Number of courier service operators 2000 – 2007

Year	2000	2001	2002	2003	2004	2005	2006	2007
Number	13	16	15	16	32	38	41	47

Source: TCRA (2007)

Effects of trade liberalization, technological development, and globalization did not spare TPC with competitive environment. EMS courier services are currently also provided by different players in the market thereby exposing EMS with stiff competition. The dynamism of the business environment necessitated EMS to find the competitive edge to meet the competition. The key to sustainable competitive advantage lies in the delivering of high quality services that will in turn result to satisfied customers.

In the marketing of services literatures, the service quality (SERVQUAL) model proposes that customers evaluate the quality of a service on five distinct dimensions: reliability, responsiveness, assurance,

empathy, and tangibles. The SERVQUAL instrument consists of 22 statements for assessing consumer perceptions and expectations regarding the quality of a service. Perceived service quality results from comparisons by consumers of expectations with their perceptions of service delivered by the service providers (Zeithaml et al., 1996). It can be argued that the factor underpinning the delivering of good perceived service quality is actually meeting the expectations of the customers. Thus, excellent service quality is exceeding the customers' expectations. Zeithaml and Bitner (2003) suggested that customer expectations are beliefs about a service that serve as standards against which service performance is judged.

For the business firm to operate in the competitive environment, understanding customer's needs become an important factor to practitioners. As a result, companies have moved from a product-centric to a customer-centric position (Saha and Zhao, 2005). The paradigm shift basically aims in addressing the issue of customer satisfaction. Customer satisfaction is of great interest to practitioners because of its important effects on customer retention (Seddon, 1997).

2. Statement of Research Problem

The researcher observed (TPC) in Mwanza Region, whereby the researcher comes in contact with EMS customers on every working day whereby he has been able to observe and deal with customers' complaints about EMS services that show their dissatisfaction. Most of the complaints lodged carters from the issues of delays in delivery of EMS items, security of items to the customer care problems by EMS staff.

This study thus intended to analyse the application of service quality factors which are responsible for customer satisfaction in EMS services rendered by TPC since service quality is the major instrument for enabling organizations to exist in a competitive environment.

3. Objective of the study

To find out the level of customers' satisfaction on EMS services offered by TPC.

4. The Significance of the Study

- i) To give TPC the market understanding or highlight on how its customers respond to the EMS courier services offered.
- ii) It is the base to the Management and Government in making decision on investments and modification to some practices which can result to the better service delivery to the EMS customers.
- iii) It is expected to provide great contribution to the researcher in terms of capacity building with regard to career development.

5. Research methodology

This study utilized both primary as well as secondary data. Primary data was collected consumed seven weeks from the first week of July 2015 whereby in total, the study utilized a sample of 36 respondents each group representing the universe of its nature; staff and customers. Data were collected from a total sample of 30 customers out of 125 customers using questionnaires and from 6 EMS staff and management using interviews. Also, data were analyzed using both qualitative as well as quantitative methods. Secondary Data were collected through articles, reports and newsletters, Books, magazines, newspapers, Internet, Public records and statistics, historical documents, and unpublished information.

Collected data were analyzed using both qualitative and quantitative approaches. Data were analyzed using frequencies, averages, percentages as well as by using tables. In implementing this, SPSS a Statistical Package for Social Science was employed. Specifically Chi Square technique of SPSS which is a test of independence used to examine relationship between two variables was used; each independent variable was tested against the dependent variable.

6. Presentation and Discussion of the Findings

This is followed by presentation of findings targeting the research objectives; which are perceptions of customers towards quality of services at EMS, analysis of the application of service quality elements in EMS services, and the challenges facing TPC concerning delivery of EMS services. Evidence on each objective is presented together with some discussion supporting the evidence made available.

6.1 Gender of Respondents

Table 2 below presents the sex of respondents which shows that number of male clients outweighs that of female clients. This clientele base is in line with population categorization in many organizations in Tanzania, such as colleges and universities.

Table2: Gender of respondents

	Frequency	Percentage	Cumulative Percentage
Male	18	60.0	60.0
Female	12	40.0	100.0
Total	30	100.0	

Source: Researchers' Analysis (2015)

As depicted in the table 2, male respondents were 15(60%) while female respondents were only 12(40%) of the participants of this study. This implies that the researcher was not based on gender.

6.2 Age of Respondents

Table 3 below presents the age profile of respondents where majority of them fall under 31 to 40 age group 18(60%), followed by those who fall between 41 to 55 age category 7 (23.3%), and lastly by those who are below 30 years of age only 6 (16.7%).

These findings portray that majority users of TPC services are those within the age group of 31 to 40 which is also the working population with disposable income characterized by needs for service quality.

Table 3: Ages of respondents

Years	Frequency	Percentage	Cumulative Percentage
Below 30 years old	5	16.7	16.7
Between 31 years and 40 years old	18	60	76.7
Between 41 years and 55years old	7	23.3	100
Total	30	100	

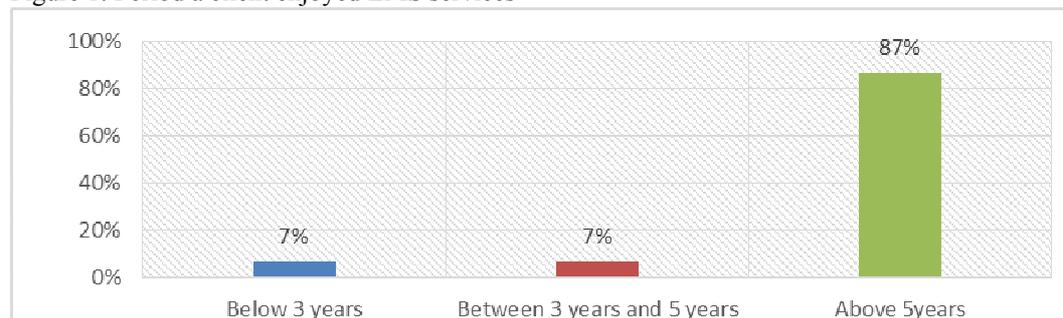
Source: Researchers' Analysis (2015)

From the above observation, it is evident that there is a significant shift in employment culture in the government corporations which is in line with the National Development Plan of Tanzania (2010) which sought to empower more youth being given chance to take up employment opportunities to demonstrate their ability and contribute to social economic growth and development in what used to be the preserve of the older people this indicates a major shift in socio-cultural morals, ethics, values and practices. Given that 23(77%) of EMS customers tend to be in the youth category, this revelation gives TPC a comparative advantage since the youth are known to be more open, easy to socialize and build positive relationship with people from different cultures and economic classes which is very relevant in undertaking customer services.

6.3 Duration Client Enjoyed EMS Services

Respondents were also asked to indicate for how long they have been enjoying EMS services. 26(87%) of respondents responded that they have been clients of EMS for more than five years. The remaining two categories (below 3 years and between 3 to 5 years) of using EMS services scored only 2(6.7%) of the customers each. These results show that despite the presence of competition in the courier services, yet there is good number of loyal customers to EMS. Figure 1 summarizes the above information.

Figure 1: Period a client enjoyed EMS services



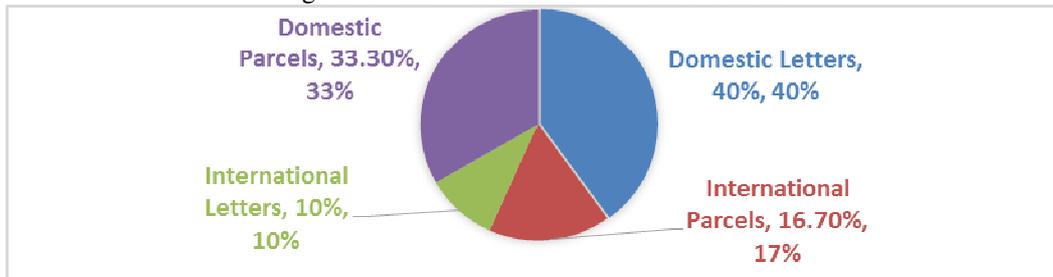
Source: Researchers' Analysis (2015)

As it has already been mentioned, majority of the customers had enjoyed the services rendered by TPC for a long time (over 5 years) which demonstrates their level of happiness with the service delivery and is based on the satisfaction judgment raised by Kotlers (2000). In this regard the findings conforms the theory which is related to all the experiences made with a certain business concerning its given products, the sales process, and the after sales service. In the theory Kotler contends that customers retention form their expectations from past buying experience, friends' and associates' advice, and marketers' and competitors' information and promises (Kotler,2000).

6.4 Last Kind of Services Encountered at EMS Office

Figure 2 depicts the services encountered last time by the respondents. Majority of respondents 12(40%) seem to have enjoyed Domestic EMS Letter services, followed by those who took Domestic EMS Parcel service's 10(33.3%), International EMS Parcel Services 5(16.7), and lastly the International EMS Letter Services 3(10%). Domestic EMS Service treats mails and parcels as very important items to be conveyed by speed means of transport available and the items are delivered at the premises of the addressee. Findings affirm that EMS services are still reliable. Fewer observations in International services can be attributed by presence of stiff competition from private international courier operators.

Figure 2: Last kind of services in last encounter



Source: Researchers' Analysis (2015)

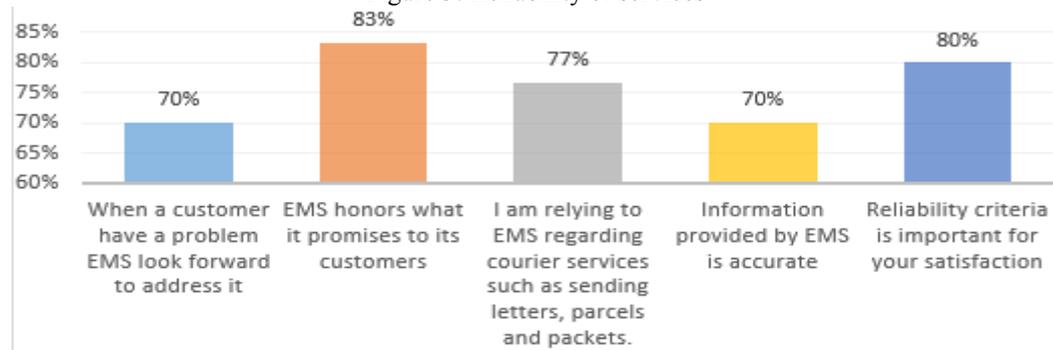
6.5 Perceptions of Respondents Towards EMS Services

The first research objective intended to find out the respondents' level of satisfaction towards EMS services. In order to meet this objective, perception of customers was traced along the five dimensions of service quality that is believed to influence customer satisfaction. These dimensions are; reliability of services, responsiveness of the service provider, security concerns at EMS, tangibility of EMS services and extent of empathy by EMS and its employees.

6.5.1 Reliability of Services

Figure 3 summarizes opinions obtained from clients when asked to present their views on four constructs that measure reliability of service as proposed in the literature review. The constructs weigh the ability of the organization to perform the promised service dependably and accurately. As seen in the table below, majority of respondents indicate that EMS services are reliable with customers having positive evaluations ranging from 21(70%) to 25(83.3%) for all the factors.

Figure 3: Reliability of services



Source: Researchers' Analysis (2015)

The findings are in line with the theory suggested by Lewis (2001) on the measure of reliability are the differences between the abstractions. So if we can measure the difference between expectations and perceptions, which was defined as perceived quality, we can therefore determine the level of satisfaction and reliability of the services. Similar sentiments on reliability are raised by Kotler & Keller (2006), which portray the suppliers who are more reliable in their on-time delivery, order completeness, and order-cycle time gain a good customer satisfaction.

6.5.2 Responsiveness of the Service Provider

Five constructs were placed before respondents to measure the extent to which EMS and its employees are responsive to customers. Responsiveness refers to the promptness in responding customers' requests, questions, complaints, and problems. It also involves understanding needs and wants of the customer, individual attention given by the service providers and customers' safety in their transactions table 5 presents the responses of the customers as obtained from the collected data.

Table 4: Responsiveness of EMS as Service Provider

Constructs that measures Responsiveness	Responses	
	Yes	No
Employees of EMS are willing to help customers when problem occurs	20(66.7%)	10(33.3%)
Employees of EMS have the culture of addressing customers' problems promptly	20(66.7%)	10(33.3%)
EMS is willing to help customers and provide prompt service	22(73.3%)	8(26.7%)
EMS compensate customers when damage or lost of their items occurs	16(53.4%)	14(46.7%)
EMS provides appropriate information to customers when problem occurs	23(76.7%)	7(23.3%)
Responsiveness criteria is important for your satisfaction	20(66.7%)	10(33.3%)

Source: Researchers' Analysis (2015)

As indicated in the table 5, majority of respondents from 16(53.4%) to 22(73.3%) responded that the organization and its employees are responsive. One construct fell short of others in percentage and variance, the construct is concerned with compensation to customers when damage or loss of items occurs. 16(53.4%) of respondents agreed that EMS compensate customer when damage or loss of item occurs while about forty seven percent 14(46.7%) did not agree with the statement. However, the remaining factors have been moderately positively evaluated by respondents showing that indeed, both EMS and its employees are responsive to the needs of the customers.

These findings are supportive of the resilience and innovativeness theory as proposed by Kotler & Keller, in their Marketing Management book (2006) which emphasizes that suppliers need to be better at handling emergencies, product recalls, and answering inquiries to win customers. Likewise, evidence drawn from literature by Gilbert Paul (2004) in Marketing Creating Value for Customers supports the need for innovativeness where suppliers create better information systems and introduce in other ways help the customers.

6.5.3 Security Concerns at EMS

Security which is defined as the freedom from danger and risks involved in four constructs which were placed before respondents to measure how the organization and its employees inspire trust and confidence to its customers with respect to the issue of security. Table 5 shows that majority of respondents from 17(56.7%) to 24(80.0%) consider it is secure to transact with EMS courier services. About 17(57%) of respondents agreed that the behaviour of EMS employee assures privacy and confidentiality while 13(43%) percent disagreed with the construct. The issues of privacy and confidentiality can be linked with complaints of opened letters and packets, lost items and late delivery of mail.

Table 5: Security Concerns at TPC

Constructs that measures Security	Responses	
	Yes	No
It is secure to use EMS courier services	24(80.0%)	6(20.0%)
It is not secure to use EMS courier services	6(20.0%)	24(80.0%)
The behavior of EMS employees assures privacy and confidentiality	17(56.7%)	13(43.3%)
EMS do not misuse customers information provided	20(66.7%)	10(33.3%)
Security criteria is important for your satisfaction	21(70.0%)	9(30.0%)

Source: Researchers' Analysis (2015)

The findings raises concerns on security which is considered to be one of the fundamental issues linked to the growth and development the corporation. One of the factors attacking customers to TPC is the wide network coverage and the perceived security measures put in place by the corporation in order to safe guard the customers property. This is in line with the policy frameworks (2008) on enterprise risk management of TPC which singles out security as a top concern. Zeng Wang et al (2007) also addressed the importance of security as a service quality dimension because it gives confident to customers despite the difficult in measuring confidentiality and integrity of staff.

6.5.4 Tangibility of EMS Services

Tangibility of services refers to the availed evidences that represent services physically. Customers use these evidences (appearance of physical facilities, equipment, staff, and communication materials) to evaluate the quality of service (Huseyin, A et.al.2005). Four constructs were used to obtain the responses about tangibility from respondents. Table 6 below presents the findings.

Table 6: Tangibility of EMS services

Constructs that measures Tangibility of EMS services	Responses	
	Yes	No
Tools and equipment's used by EMS employees to provide services are modern ones	13(43.3%)	17(56.7%)
EMS physical facilities are appealing to customers	13(43.3%)	17(56.7%)
EMS employees are neat	26(86.7%)	4(13.3%)
Materials associated with EMS services (receipts, envelopes, brochures, signage) are visually appealing	24(80.0%)	6(20.0%)
Tangibility criteria is important for your satisfaction	24(80.0%)	6(20.0%)

Source: Researchers' Analysis 2015

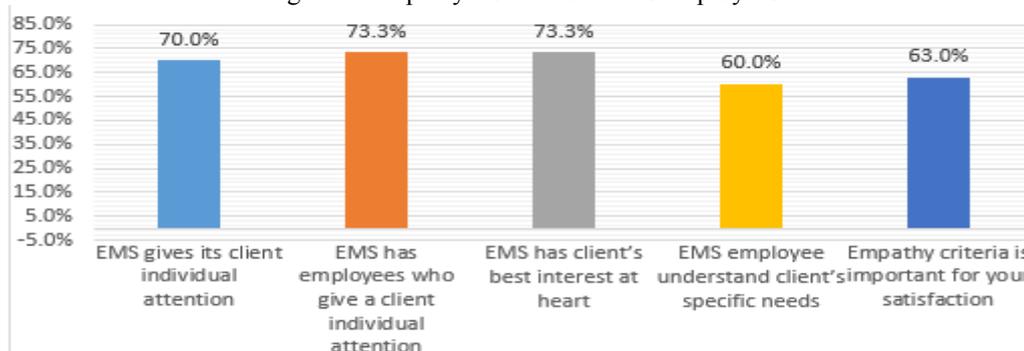
As seen in the table 6, the findings show some reservations 17(56.7%) from respondents that tools and equipment's used by EMS are not modern and physical facilities are not appealing to customers 17(56.7%). Two reasons can explain these reservations; EMS is placed among the oldest institutions in the country (Tanzania Posts Corporation-TPC) owning its own buildings in most towns in Tanzania. These buildings are old hence they can fail to appeal before the eyes of its clients. With few usage of information technology, still most of EMS services also continue to be labor intensive.

Anisul Islam (2011) also assessed the relationship between service quality and customer satisfaction in fashion house of Malaysia investigated the dimensions and service quality levels that have significant effect on customer satisfaction in seventeen out of 116 major fashion houses in Kuala Lumpur. Findings showed that the dimensions of service quality such as tangible, reliability, responsiveness, accessibility, competence, credibility and customer knowledge were positively related to customer satisfaction in fashion house.

6.5.5 Extent of Empathy from EMS and its Employees

Empathy refers to the extent to which employees pay attention, listen, adapt and are flexible in delivering what individual customers need (Parasuraman et al.1985). Four constructs as indicated in Figure 4 below were placed to obtain the opinions from customers regarding empathy. The responses of customers' opinions are well summarized in the table below.

Figure 4: Empathy from TPC and its employees



Source: Researchers' Analysis (2015)

As depicted in the figure 4, all the items measuring the construct have been satisfactorily positively ranked to the tune of 18(60%) to 22(73.3%) of customers. Indeed, the interaction between customer and EMS employee for EMS services provides one to one contact sort of. This is an advantage to the organization because the encounter provides a room for customers to assume that they are given individual attention by EMS or its employees, customers often present specific complaints to EMS officials and can be addressed accordingly, which also is considered that EMS employees understand clients' specific needs.

Therefore quality services are very important to customers since retain customers, make them to get services of good quality and makes the firm get more income. Festus Olorunniwo (2006) studied the importance of service quality for customer satisfaction in service factory. The study used an exploratory factor analysis and revealed that the dominant dimensions of service quality (SQ) in the service factory were found to be tangibles, recovery, responsiveness, and knowledge.

6.5.6 Factors Influencing Customers' Satisfaction Level on EMS Services

The second research objective put forward by this study was to determine the factors that influence customers' satisfaction level on EMS services. To meet this objective, three issues were investigated, namely: assessing the average scores of customer ratings on the items making the service quality determinants which are believed to relate to customer satisfaction, determining customer level of satisfaction with respect to the items forming service quality. Finally, customers and management were asked to mention such factors which cause dissatisfaction with services rendered by EMS.

6.5.7 Relationship between Service Quality and Customer Satisfaction

Respondents were presented with four constructs in each service quality dimension, and were asked if the constructs in each dimension (Reliability, Responsiveness, Security, Tangibility, and Empathy) are important quality criteria for their satisfaction. Table 8 summarizes the extent of customer satisfaction.

Table 7: Customers evaluation on quality criteria

Quality Criteria for Customer Satisfaction	Responses	
	Yes	No
Reliability Dimension is an important quality criteria	24(80.0%)	6(20.0%)
Responsiveness Dimension is an important quality criteria	20(66.7%)	10(33.3%)
Security Dimension is an important quality criteria	21(70.0%)	9(30.0%)
Tangibility Dimension is an important quality criteria	24(80.0%)	6(20.0%)
Empathy Dimension is an important quality criteria	19(63.0%)	11(37.0%)

Source: Researchers' Analysis (2015)

All constructs in their respective dimensions were considered to be among the criteria for customer satisfaction. As seen in the table, level of customer satisfaction to each of the determinants of quality is good ranging from 19 (63%) to 24 (80%). This is encouraging, however, in each dimension, respondents placed some reservations to assert that still there is more to be done as some of the customers are not satisfied with services rendered. In addition, the determinants vary in their assessment to cause customer satisfaction. For example, some determinants like responsiveness and empathy are positively assessed by only 20 (66.7%) and 19 (63%) of customers respectively.

Also Zeng Wang et al (2007) identified the relationship service quality and customer satisfaction in a University Library. The investigation went through eleven university libraries countrywide and revealed that library users' perspectives on service quality dimensions are tangibles, responsiveness, reliability, assurance and empathy. Among these five dimensions except responsiveness, all of them had a significant positive effect on overall users' satisfaction.

6.5.8 Perception of Customers on Quality of Service and Customer Satisfaction

Customers were asked to evaluate their level of satisfaction with respect to quality of services rendered by the organization. This was done using a Likert scale of highly satisfied to highly dissatisfied continuum. The table below presents the responses of customers who participated in the study as presented in Table 8.

Table 8: Level of customer's satisfaction

Quality Dimensions	Highly satisfied	Satisfied	Indifferent	Not satisfied	Highly Not satisfied
Reliability	12 (40%)	13(43.3%)	2(6.7%)	3(10%)	0(0%)
Responsiveness	8(26.7%)	14(46.7%)	1(3.3%)	4(13.3%)	3(10%)
Security	7(23.3%)	16(53.3%)	3(10%)	3(10%)	1(3.3%)
Tangibility	10(33.3)	12(40%)	5(16.7)	2(6.7%)	1(3.3%)
Empathy	6(20%)	15(50%)	3(10%)	4(13.3%)	2(6.7%)
Average	28.7%	46.7%	9.3%	10.7%	4.7%

Source: Researchers' Analysis (2015)

In the above table 8, customers have shown good level of satisfaction for all dimensions of service quality with reliability being evaluated highest 25(83.3%) and empathy being the least 21(70%). On average, when one considers customers who are highly satisfied 9(28.7%) and those who are satisfied 14(46.7%) as satisfied, we find that about 22(75.4%) of customers are satisfied with quality of services rendered by the EMS. Those who are dissatisfied with the services on average account for 5(15.4%) (Not satisfied and highly not satisfied) while 3(9.3%) of customers were found to be indifferent (neither satisfied nor dissatisfied).

Finally, customers were asked to mention some other factors which cause their dissatisfaction. With this connection, employees and management were also asked (through interview) to suggest factors (from complaints they receive) which cause dissatisfaction of customers. The factors which were reported from all point of views include the speed of service delivery is slow; Security concerns (lost items, opened mails or parcels); Communication break-down (lack of feedback for reported complaints); Shortcomings of employees in their day to day activities (unpleasant use of language); Skills and knowledge gap of employees (lack of training, and professional exposures); Slow pace of ICT usage, and Poor and unattractive environment.

Also Norazah (2013) examined the correlation of application of hotel service quality (that is assurance, reliability, responsiveness, tangibles and empathy) with tourist's satisfaction revealed that service quality applications significantly correlated with empathy, reliability, responsiveness and tangibles. The first served as the best predictor of tourists satisfaction followed by the latter.

6.5.9 Challenges Facing EMS

The third research objective of this study was assessing the challenges EMS faces in delivering its EMS services.

These factors were obtained through interviews with employees and management as presented in Table 9.

Table 9: Checklist (interview discussion with EMS personnel

SN	ITEM	FINDING
1	What are the challenges in delivering EMS services?	Two staff explained challenges from within the organization such as lack of modern working tools and customer care problems while four staff highlighted the external challenges such as competition, technology changes and Government policy on Postal services.
2	Do customers complain on your services and why?	YES, most of customer complaints come from delays in delivery of items and lost of items. Others include service waiting time spent at counter and bad languages from staff.
3	What counts a lot in EMS customers' dissatisfaction?	Delays in service delivery, customer care problems and lack of modern working facilities as compared to those of competitors.
4	Are you satisfied with the services EMS is offering to customers?	Yes, EMS services are still efficient and more economical for most of Tanzanian people.
5	If you are not satisfied, then what are the reasons behind your dissatisfaction?	Lack of modern working tools and technology, unfair competition and less satisfied staff.
6	What are the quality criteria are you considering for the best service quality in EMS service?	Staff at the operation didn't know the criteria but the personnel from management identified them as reliability, responsiveness, security and courtesy.
7	What should be done to enhance customer satisfaction in EMS services?	Adhere to EMS mission statement "To provide universal quality courier services that meet customer expectations"

Source: Researchers' Analysis (2015)

As depicted in Table 9 above the factors reported according to their ranking include lack of modern working tools and poor infrastructure, unlicensed operators in the market, rapid change in technology stiff competition due to introduction of private courier services, government policy that requires TPC to offer quality services at low prices and customer care problems among EMS staff which are mainly caused by lack of customer care training and less motivation

6.5.10 Lack of Modern Working Tools and Poor Infrastructure

Perhaps, for EMS to stand for the current competition in the market, it should also introduce up to date technology in the provision of services. The means of sending letters that takes more than 48 hours between cities must be discouraged. However, in order to change this, a lot of investment would be required, new equipment and machinery would also require to be put in place. The situation coupled with poor infrastructure in terms of road transport makes provision of services by EMS to be very difficult. Unless deliberate efforts are made in improving infrastructure both in urban and rural areas and making new investments alongside advancement of technology, it will not be possible for EMS to withstand the current level of competition.

6.5.11 Unlicensed Operators in the Market

According to the management of EMS and some employees interviewed, there are many unlicensed operators who provide some services like those rendered by EMS. These include courier services using bus transportation methods which are cheap in terms of the commission charged. They are also mostly informal and based on trust between the service provider and the clients. For example, instead of a person using formal means of sending a letter or documents to a friend or relative, he/she would give it to bus conductor or driver who would then deliver the same to the intended person. In this way, the transaction becomes cheap as there are no taxes charged on the side of the sender or the argent. In so doing however, incomes for EMS or other regular operators is lost.

6.5.12 Rapid Change in Technology

The change in technology has made EMS to lose considerable amount of revenues. This can be shown in many ways but most notably is the invention of internet where people do not see the need of using courier services for sending friendly as well as some official letters and documents. There are few cases of official documents which are required to be sent through courier means. These are the ones which make the catchment's area for EMS including some cases in rural areas where internet services are not easily accessible. Otherwise, people do communicate through their e-mail addresses or even through their mobile phones. The method is cheap, convenient and even more reliable. In fact, EMS is now contemplating to come up with a strategy of introducing new services to be able to remain in the market.

6.5.13 Stiff Competition Due to Introduction of Private Courier Services Operators

Apart from those operators who provide services illegally, there are other registered firms which do provide courier services as well. Since the Government of Tanzania undertaken economic reforms in 1990's that resulted to trade liberalization in many sectors including postal services, the reforms allowed entrants of international

courier service providers who are well equipped with the necessary technology required for operating courier services internationally. This has made it even more difficult for EMS to compete in the international business. Still most bus transporters do also provide this service to customers. Transfer of parcels and luggage in Tanzania normally take less than 24 hours between cities. It becomes more convenient for clients to use bus transporters to send parcels instead of using EMS services. In addition, such firms charge small amount as commission for the service because it is like they receive additional income on top of the fare charged from the passengers boarding their buses.

6.5.14 Government Policy that Requires TPC to Offer Quality Services at Low Prices

The government requires TPC as a public institution, to provide services of high quality. The services are required to reflect international standards like postal services offered elsewhere around the globe. In addition, the price charged is supposed to be low so that the services can be afforded by the citizens. However, realistically, improvement of services in terms of quality needs to be reflected by the price charged. In other words, market price should prevail. So, EMS which operates under TPC is bounded by government policies on top but at the bottom, it is pushed by stiff competition pressurized by a host of firms providing services using up to date technology. This creates of unfavorable environment for the firm to operate.

6.5.15 Customer Care Problems

Despite EMS having a clear customer service charter, it still finds very difficult in implementing its marketing and customer care plan. This is due to lack of resources such as professional customer oriented staff and lack of funds to provide contact points where customers can effectively make enquires and seek conflict resolution.

7. Conclusions and recommendations

The study intended to analyze the application of service quality for customer satisfaction at Tanzania Posts Corporation. This was done by taking EMS in Mwanza Region as the case for the study. In realizing the main objective of the study, three specific research objectives were defined, namely; to find out the extent to which customers evaluate EMS services offered by TPC compared to those offered by other operators, to analyze the application of the service quality criteria and customer satisfaction in EMS services and to understand challenges which act as barriers in delivering of services by EMS.

The basic goal of TPC in a market economy is to increase its profit margin. Every free market company anywhere in the world has its own unique strategies to ensure a good return to its shareholders through the sale of goods or services to its customers. Today, because of customers huge numbers and the knowledge as well as the sophistication of the customers companies face the toughest competition ever seen since business started. This is further complicated by the unprecedented technological advance in information dissemination including advertising and promotion activities. Companies alike seek to outperform competition by moving from a philosophy of product and sales to a philosophy of marketing.

7.1 Perceptions of Respondents towards EMS Services

All the five dimensions of service quality that are believed to influence customer satisfaction were analyzed. These dimensions are; reliability of services, responsiveness of the service provider, security concerns at EMS, tangibility of EMS services and extent of empathy by EMS and its employees. Each dimension was traced along its elements making up the dimension.

On average, there is indication of good evaluation of services provided by EMS by its customers. The elements of the dimensions have been rated to be good by proportions of customers ranging from 43.3% to 86.7%. Accordingly, this shows that there are areas which have been positively evaluated by customers but also, there are areas which still need some improvements. For instance, the issues of tools and equipment used by EMS employees to provide services and appealing of physical facilities as measures of tangibility have been questioned by customers.

7.2 Application of Service Quality and Customer Satisfaction

At the level of measuring the extent of application of Service Quality and Customer Satisfaction, all the constructs in the dimensions making service quality have been found to provide satisfaction to customers. That is, there are positive evaluations of quality of services and satisfaction realized. In fact, level of customer satisfaction to each of the determinants of quality was found to be impressive ranging from 63% to 80%. This is encouraging, nevertheless, in each dimension; respondents placed some suspicions to stress that still there is more to be done. This is so because some of the customers are not satisfied with services rendered. For instance, some determinants; like responsiveness and empathy are positively assessed by only 66.6% and 63% of customers respectively. That is, EMS is still slow in responding to some of the requirements of its customers. Likewise, EMS is not well prepared when it comes to issues like paying attention to individual clients, having client's best interest at heart, and understanding client's specific needs.

Looking at the level of extent of perceptions of employees on quality of services and customer

satisfaction, customers have shown good level of satisfaction for all dimensions of service quality with reliability being evaluated highest and empathy being the least. On average, about 75.4% of customers were found to be satisfied with quality of services rendered by EMS. On the other side, 15.4% of the customers reported to be dissatisfied with the services. There were also those who were neither satisfied nor dissatisfied. These accounted for 9.3% of customers involved in the study.

7.3 Challenges facing EMS

The main challenges reported to have caused serious hindrances in the provision of services by EMS are lack of modern working tools and poor infrastructure, unlicensed operators in the market, rapid change in technology, stiff competition due to introduction of courier services by other operators, and government policy that requires TPC to offer quality services at low prices. In order for the EMS to come back from sleeping, deliberate measures need to be taken. As it can be seen, all these issues are not within the reach of EMS. If efforts are not made, there is a danger of EMS dying a natural death.

7.4. Conclusions

To be effective EMS needs an integrated approach that combine efforts in building relationships and structures in the company to enable the employees to conform and respond the needs of the customers thus make the organization competitive.

Most of the customers are of the opinion that, these require revamping. Also, the question of EMS compensating its customers when damage or loss of their items occur as a measure of responsiveness of EMS as Service Provider has been highly considered by customers. Customers look at EMS as not responding when it comes to compensating customers for a fault caused by the firm. Other area that has also been seriously questioned by customers and that requires immediate attention is the behaviors of EMS employees in assuring privacy and confidentiality of customers' information and services as a measure of security. Customers feel that some of their luggage or parcels are not in good hands when handled by some of EMS employees. It happens that sometimes they receive their parcels while being tempered.

Thus, EMS should not ignore this proportion of customers who are dissatisfied and those who are indifferent. Efforts need to be done to change them from the level they belong now so that they also become satisfied customers. In fact, these are the very customers who would switch to other service providers. Athanassopoulos et al. (2001) and Lee et al. (2000) are of the opinion that unsatisfied customers are likely to switch to other service providers through making negative behavioral intentions like not to repeat purchasing and making negative word of mouth to relatives and friends.

The issues pinpointed by customers as causes of annoyance and dissatisfaction are among others, mostly slowness of service delivery; security concerns (lost items, opened mails or parcels); communication break-down (lack of feedback for reported complaints); shortcomings of employees in their day to day activities (unpleasant use of language); slow pace of ICT usage, and; poor and unattractive environment.

7.5 Recommendations

This section provides recommendations which are thought to revive the EMS services from its current state. The recommendations are based on the study objectives as put down below:

Overall EMS has put significant effort in developing its customer service systems however the system is faced with several challenges that impede its full potential in quality service delivery and improved operations of the EMS. It is therefore necessary for EMS to undertake critical improvement in its customer management systems if it has to stay a head in business. The study recommends the following:-

TPC needs to re-engineer its business operation strategies and structures to integrate a strong customer management service as a core function of the EMS which go beyond customer service department. Although EMS has a customer service policy, it is important that it creates more awareness among the staff about the customer service management policy and ensure it is communicated to all internal and external stakeholders, in a particular staff.

The Corporation needs to strengthen the weakness identifies in capacity building for staffs to include review of vision, mission, company values and objectives and ensure proper induction and re-orientation of staff to internalize the customer service management in all activities. The effort in modernization was commendable and had generated interest among customers. In the same vein TPC should strengthen its modernization process especially computerization of the customer care system to enhance marketing and speed up the production and service delivery process.

7.5.1 Recommendations to the Government

- i. It can be observed that one of the pillars that TPC depends on in providing its services is better infrastructural development like good roads, airports . These need to be in place to activate service provision by many firms operating in our market, EMS being one of them. It is hereby recommended

that the government puts priority in development and restoration of better infrastructure to enable economic activities be implemented efficiently.

- ii. The Government needs to support TPC so that it can put in place desirable investment that will allow running business commensurate with the prevailing advancement in technology. This can be through budgetary allocations, soft loans or grants from various other funding.
- iii. The Government using its various organs should enforce the existing laws such that the unregistered operators in the market are put into task. Those who want to business like EMS should do it legally so that there is a fair completion among firms doing similar business.

7.5.2 **Recommendations to TPC Management**

- i. It is hereby recommended that EMS goes electronic like what other firms are doing. For example, it can introduce electronic trace and track services in its offices all over the country. This can be done by use the current infrastructure in place through liaising with the giants and owners of up to date technology.
- ii. The firm needs to keep its employees abreast with current changes of both technology and customer care issues in the market through training and retraining.
- iii. EMS should acquire appropriate equipment and tools to provide services like a modern firm. It should also improve physical appearance of the buildings and work environment in general in order to appeal to its clients. This will also make the customers respond swiftly to customers' demands.

7.5.3 **Recommendations to EMS Employees**

EMS employees should try as much as possible to treat customers like a king. This is now a time of market economy where customers should be seen as partners in business of asset of a firm like what Fornell (1992) puts it that: "Customers are an economic asset to a firm. They are not on the balance sheet, but they should be." Therefore, the time to use rude and poor language to customers is over and should be avoided.

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