CUSTOMER SATISFACTION AMONG MOBILE TELEPHONE SUBSCRIBERS IN THE KUMASI METROPLIS: A CASE STUDY OF MTN GHANA

BY

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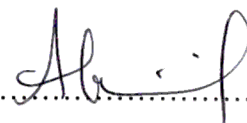COMMONWEALTH EXECUTIVE MASTERS DEGREE IN BUSINESS ADMINISTRATION

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DECLARATION

I hereby declare that, except for specific references which have been duly acknowledged, this work is the result of my own field research and it has not been submitted either in part or whole for any other degree elsewhere.

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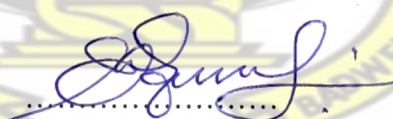
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Dean of Institute   Signature   Date

DEDICATION

This dissertation is dedicated to my husband and our three beautiful kids whom God has been generous enough to give us. I dedicate this book for their love and support through all these years and particularly during the duration of this course.

ABSTRACT

Customer satisfaction is crucial in every service industry particularly the mobile telephony industry. Although most organisations in the past focused more on gaining more customers there is much more emphasis now on both creating and retaining customers.

The main objective of the study was to ascertain the level customer satisfaction among MTN (Mobile Telecommunication Network) subscribers in the Kumasi Metropolis, Kumasi, Ghana.

A cross–sectional survey using simple random sampling was done in the Kumasi Metropolis, Ghana. Two hundred (200) respondents subscribing to the MTN network were interviewed to find out their level of satisfaction with the services provided by the MTN.

The study revealed that 9% of the respondents were highly satisfied, 55% were satisfied with 19% being indifferent and 18% dissatisfied with network access. Generally the findings revealed that MTN subscribers rated the network to be very good.

It was concluded from the study that majority of MTN subscribers in the Kumasi Metropolis of Ghana are highly satisfied with both customer care and the overall service products of MTN.

Some recommendations made to the service provider was the need to step up its game in the area of network quality to enable it keep its market share since the network was the basis of the business and its customers will only stay with the company if the quality of the network is good. The stakeholders such as the National Communications authority should ensure that there is effective supervision of network quality and that tariffs are commensurate with network quality and industry standards.

TABLE OF CONTENTS

DEFINITION OF TERMS

Customer Satisfaction: The ability to meet customer expectation by offering products or services that surpasses the customer's expectations.

Customer Dissatisfaction: Occurs when customer expectations are unmet.

MTN Zone: A service that gives MTN pay as you go customers discount on network tariffs.

Network Access: Ability to have smooth network reception without call breaks/drops or interruptions everywhere anytime.

Pay As You Go: The pre paid service of MTN.

ABBREVIATIONS/ACRONYMS

GPRS: Global Pocket Radio Service

GSM: Global System of Mobile Communication.

ITU: International Telecommunications Union.

MENA: Abbreviated form of Middle East and North Africa.

MTN: Mobile Telephone Networks.

SEA: South and East Africa

WECA: West and Central Africa,

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

APPENDIX 1: STUDY QUESTIONNAIRE

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ACKNOWLEDGEMENTS

CHAPTER ONE
GENERAL INTRODUCTION

1.1 Background

Telecommunications has made great impact on society in recent times due to its technological impact. Having to use fixed lines seems to be gradually becoming a thing of the past as more and more people world-wide are getting hooked on the mobile phone. Eniola (2006), quoting from the GSM Association (2006) states that the Global system of Mobile communication which is second generation technology was originally developed in Europe and in less than ten years it developed into the world's leading and fastest growing mobile standard. He goes on to draw from Lonergan et al (2004) that at the beginning of 2004 there were over 1.3 billion mobile users worldwide and by 2007 the demand for its' use would have increased at an annual average rate of 9.1%.

One of the fastest growing industries in the African economy has been in the information communication technology; particularly in the telephone industry. The African continent has about 280million total telephone subscribers out of which 260million representing over 85% are cellular subscribers. The region is the highest mobile cellular growth rate. It has been proved that the growth rate over the past five years averages 65% year on year.(ITU World Telecommunications/ICT Indicators,2007).ITU report in 2008 estimated that by the end of 2007, there would be over 3.1 billion mobile subscribers in the world compared to 1.3 billion fixed telephone line.(ITU, 2008). Frempong(2009), mentions in his study that mobile telephone service is estimated to cover over 30% of the national population and also states that there are many more potential subscribers, especially in the less urban and rural areas where the service has become a substitute for the fixed line telephone. However, in spite of these figures the industry seems to be battling with issues of customer satisfaction and expectations. Aside this is the daily complaints heard on the

1

airwaves and even on the streets about MTN's quality of service.(Quality Assurance Quarterly Report, MTN Ghana) However most of these concerns have not been ascertained to be true and so the real question put is ; are MTN customers not really happy with the service offered them?

The mobile phone also called a wireless phone or cellular phone is a short-range, portable electronic device used for mobile voice or data communication over a network of specialized base stations known as cell sites. Apart from the mobile handset being used for voice calls, it also supports additional services such as short message service (SMS), internet, and camera with video and also multimedia services. (ITU World Telecommunications/ICT Indicators, 2007)

In 1978, Japan introduced the first ever commercial mobile phone and currently lots and lots of it have been launched. There are currently a wide range of mobile phones some of which include NOKIA, SAMSUNG, SONY ERICSSON, MOTOROLA, LG and the most recent of the entire BLACKBERRY series. Each mobile handset has its own unique features with users mostly going in for the highly sophisticated and technologically advanced ones (ITU World Telecommunications/ICT Indicators, 2007).

The mobile phone has been said to be the most widely spread technology and the most commonly used electronic device in the world. Figures indicate that by November 2007 the total number of mobile phone subscriptions in the world had reached 3.3billion. In 2004 alone, the African continent added almost 15 million new mobile cellular subscribers to its subscriber base, a figure equivalent to the total number of (fixed and mobile) telephone subscribers on the continent in 1996, just eight years earlier. (ITU World Telecommunications/ICT Indicators, 2007)

Gray, 2004 mentions that due largely to increasing demand-, regulatory reforms, falling costs and technological innovations, Current estimates put telephone subscriber base in Africa at about 280 million with 260 million (85%) of these being mobile cellular subscribers (ITU, 2007).

In Ghana figures indicate that 8% of the population uses mobile phones. There are six (6) network operators currently with one more yet to start operation (MTN, 2008).

The existing service providers are all competing for the 92 % of the nation's population that do not use mobile phones.

Of the 3-4 million estimated subscribers, MTN-Ghana has an estimated market share of 54%. Its customer base could be divided into two; Pay As You Go and the MTN VIP. The prepaid customers are the Pay As You Go and the pay monthly ones as the MTN VIP. The pay monthly clients are again categorized into Individual and Corporate clients. (Marketing Department, MTN)

Services rendered by the service provider include; internet services, multimedia service, fax and data services, roaming services, 3.5G technology, commercial service such as the credit transfer service and fixed wireless application service.

It currently has fifteen (15) service centres in Accra, three (3) in Kumasi, and one (1) in Obuasi, Bibiani, Sunyani and Tamale respectively. These service centres are constantly flooded with customers with various needs and concerns to be addressed (Customer Care Quarterly Report, 2008).

1.2 Problem Statement

Liberalization and competition in the mobile sector has contributed in the expansion of mobile telephony service in Africa

3

As of July 2008 Ghana had moved from a single national telephone operator in the 1990's to a competitive field of six licensed industry players.

A considerable reduction in mobile tariffs has been the resultant effect.

Not only have mobile tariffs dropped but mobile telephone operators have become more service-oriented and more sensitive to customer needs.

Policy by the past government to remove taxes on importation of mobile handsets in order to increase access for consumers and potential user was aimed at boosting growth in the industry.

However problems still exist in mobile penetration, coverage and therefore service delivery. This has potential cause for customer dissatisfaction and loyalty. Personal communications with the director of customer care and client relations at MTN one of the leading service providers shows a growing trend in customer complaints over the past two years.
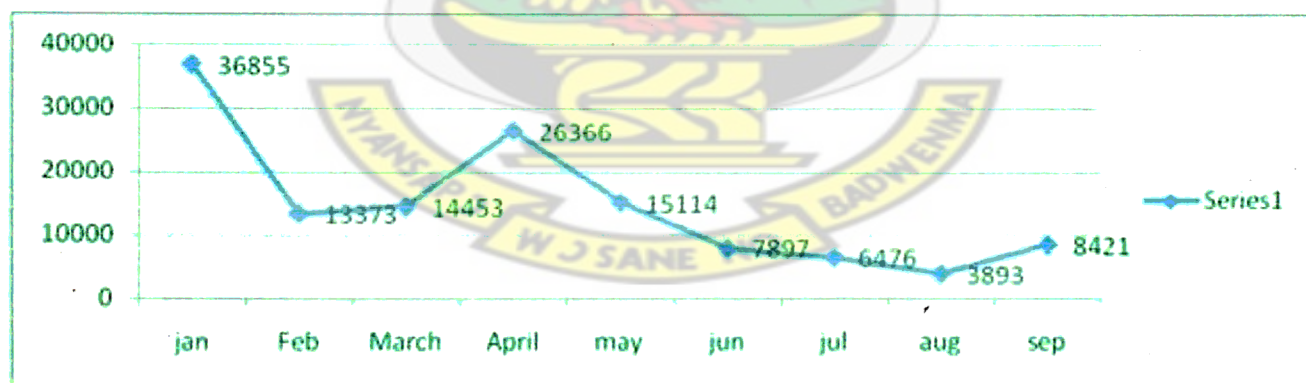
Figure 1.1 Trend of complaints from Quality Assurance (QA) unit MTN -January to September 2007.

Source: MTN Quality Assurance Unit, Accra

4

Newspapers have also not spared the mobile telephone industries for poor customer service such as long hours of waiting to be served, responding quickly to customers' needs and concerns and also being too distant from the customer.

In view of some of these concerns raised MTN Ghana has instituted some measures in meeting customer satisfaction. However there are still complaints of customer dissatisfaction.

This study is therefore to investigate the extent to which MTN customers are satisfied.

1.3 Research Objectives

The main aim of this study is to ascertain how satisfied mobile phone subscribers are with customer care services rendered in the Kumasi metropolis, Ghana. Other specific objectives are as follows:

1. To assess the level of satisfaction with network access.

2. To determine what predominant reason(s) could compel MTN subscribers to switch loyalty to rival networks.

3. To determine the timeliness of resolution of customer complaints by MTN customer care staff and their level of appreciation by customers.

4. To ascertain the overall customer rating of MTN services.

1.4 Research Questions

Based on the objectives outlined above the researcher developed the following questions to help in achieving the set objectives:

1. What is the level of customer satisfaction with network access?

2. What would compel customers to switch loyalty to rival networks?

3. How promptly were customer complaints resolved by MTN customer care staff and how satisfied were these customers with their skills level?

4. How satisfied are MTN clients with the overall service quality being provided?

1.5 Rational of Study

The study would seek to propose ways to improve and better meet the needs of the customers. The results of the study would be ploughed into customer service delivery. This could be used in policy formulation and also help the Research and Development Department in innovating packages that would help improve customer satisfaction.

Also the marketing department could on this study in creating innovating products for its cherished customers.

1.6 Organization of Study

The study was divided into five main chapters. Chapter dealt with background of the study; research objectives and questions of the study; relevance of the study; and the organization of the study.

Chapter two reviewed literature similar to the researcher's topic, some of which includes works by Adebayo (2008), Eniola (2006), Adomi (2006), to mention a few.

Chapter three dealt with profile of case study organization, study methods and designs, data collection techniques and tools, sampling techniques, sample size, data handling, ethical considerations, and limitations of the study.

Chapter four was devoted to the results and the analyses, as well as discussion of the results. The last chapter, being the fifth, focused on conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is devoted to discussing the work of other researchers on the subject under study. Adomi (2005) mentions in his study, that increasing number of Nigerian inhabitants are taking advantage of the global system of mobile communication. He states the importance of the mobile telephones as having created more jobs for Nigerians and limited the need to travel. He however, mentions that operators are faced with challenges of interconnectivity, limited mobile coverage, a shortage of trained and qualified personnel, poor financial capital to mention but a few.

Customer satisfaction is a challenge and mostly seen as a neglected aspect of business. This has sparked issues of concern with customers also agitating for more attention in order for their needs or wants to be satisfied.

This concern has led a lot of researchers or organizations to conduct researches and studies to ascertain if customers are really dissatisfied.

Aydin et al (2005) in their research aimed to measure the effects of customer satisfaction and trust on customer loyalty, and the direct and indirect effect of "switching cost" on customer loyalty. Their data set for the study covered 1662 mobile users in Turkey and their findings revealed that switching cost had a direct effect on loyalty and had a moderator effect on customer satisfaction and trust. By their study they also revealed that trust was more important than customer satisfaction. They said trust contained more belief in the brand than customer satisfaction in this dimension.

They concluded that any GSM operator who desired to keep its existing subscriber base should focus on building trust.

Asher (1989) saw the need to build effectively on customer satisfaction in order to achieve a competitive advantage. He sees customer satisfaction as the end product and contends that complete customer satisfaction is only attainable when there is full information about customer requirements in the hands of all or everyone who has a role to play in meeting their needs.

Hart, Heskett and Sasser (1990) in their study reveal that much as any organization may try to avoid dissatisfaction it is simply unavoidable but the good side of it is that organizations or companies must make a deliberate effort to recover the mess. They cite an example of Club Med Cancum who organized a vacation for its customers and had a terrible flight. Upon having information of how dissatisfied and angry the team on board were the General Manager adept in service recovery quickly got some members of his team to put up an excellent welcoming treat for these dissatisfied customers such that by the time they touched the ground all angry and dissatisfied customers forgot all their pain and anger as they got themselves focused on such a treat.

In their study they go on to state that one satisfied customer was likely to call just about five people to mention it them whereas a dissatisfied customer is likely to call over thirty people to let them know of his or her terrible experience.

They go on to state that mistreating customers have a serious repercussion on the business. In effect it is the customer that makes or unmakes your business. They also state that most often truly dissatisfied customers may not even voice their hurts or disappointments but simply leave the business and cited a bank who lost a very important

client due to disappointment and he not haven be treated well. This cost they company so much.

Conklin (2006), in a White Paper stated that customer satisfaction is tied to profitability. He went on to infer that satisfied customers are happy customers and would definitely remain loyal to the business. Citing a research by Bain and Company it was found that it cost six to seven times more to gain a new customer than to retain an existing one.

It stress the need to ensure customer satisfaction as it is easy for one dissatisfied customer to spread the unfortunate news especially with technology providing us with the fastest means to communicate. Once the message is spread it causes a lot of negative impact and just one bad example erases the numerous good ones. It goes on to state that it s very essential to provide customers some kind of means to provide feedback on their likes and dislikes. Any company that ignores this very crucial aspect of customer satisfaction puts itself at a competitive disadvantage.

In an environment where competition is key, Lee et al. (2001) say satisfaction plays a vital role in competitive environments such mobile services because it impacts greatly on customer satisfaction. Lee et al. (2001) study they use Anderson and Srinivasan (2003) definition of satisfaction "as a perceived degree of contentment with regards to a customer's prior purchase experience".

Interestingly customer satisfaction is seen to be highly linked to service quality. This is seen in Wang and Shieh (2006) work on "Relationship between service quality and customer satisfaction". In their work they cited Martensen and Gronholdt (2003) who also did a similar work on theirs surveyed focus groups with key determinants of service quality as electronic resources, collection of printed publications, other library services, technical facilities, library environment and human side of user services.

9

Lee et al (2001) also reviewed Hernon and Atman (1996) work and also realized that they conducted a series of factor analyses and on over hundred variables and observed that the dimensions of library service quality included: guidance, waiting time, electronic service, staff(including obtainment courtesy, accessibility of services and also friendliness. They mentioned other dimensions such as accurate places of data, handling time of data delivery, library buildings and environment and library facilities.

All these stated dimensions go a long way in determining customer satisfaction.

2.2 Customer Satisfaction

Customer satisfaction is seen as an essential business term is a measure of how products and services supplied by a company meet or exceeds customer's expectation. It is seen as a key performance indicator within business and also an integral part of any organization's balance score card. In a highly competitive market it is seen as a key differentiator and also a business strategy (Gitman et al., 2005; as cited by Wikipedia, 2009).

Customer satisfaction is key to the success of service firms since it leads to repeated business or purchases and also word–of–mouth recommendations. It is agreed to be the most reliable indicator of the service quality that is actually delivered to customers (Salazar, Costa, e Rita , 2004).

Lapski (2004) mentions in an interview on a research conducted by J. D Power that it does pay to satisfy customers as those who are truly satisfied will give the highest recommendation thereby increasing sales.

Gerpott, Rams, and Schindler (2001) in their study on customer retention, loyalty, and satisfaction in the German mobile telecommunications market remarked that customer

satisfaction has a positive correlation to customer loyalty, and are both very critical indicators in the mobile telecommunications industry.

Asaari and Karia (2000) mention that customer service and customer satisfaction in the cellular service has been one of the critical success factors of the cellular operations in Malaysia. They go on to state that customer service has been indicated as the only parameter that, if effectively utilised in the short run, will yield better long – term results that are key in overall corporate success.

2.3 Resolution of Customer Complaints

A study in Nigeria by Adebayo (2008), one key determining factor of customer satisfaction is call resolution which he thinks remain a sour point for most subscribers. He went to explain that calling Call Centres for the resolution of basic issues such as recharge sometimes require the subscriber going through multiple referrals and sometimes having to visit the branch offices lives much for the customer to desire. This can sometimes lead to customer dissatisfaction. He indicates that market research points out that one unhappy customer is likely to tell ten people about their experience who will in turn tell a further five people which implies that fifty (50) people would have heard about one bad experience.

He goes on to mention that the study also found out that customers whose issues are unresolved are eight times likely to cut their relationship with the operator. He adds that in Nigeria customer satisfaction is key to customer loyalty. For him empowering the customer care or call centre representatives would help resolve customers complaints faster which will help bring about satisfaction. He goes on to say that even convincing a customer to change operators is a challenge as they want to avoid the hassle of deciding for a new operator. He mentions that often what will compel a customer to change his or

11

her mind is the fact that he or she must have repeated bad business. In an event where people are not ready to quit many Nigerians rather end up using multiple handsets.

One key thing that he mentions is the fact that the study revealed that 25% of the customer callers revealed that they left a particular company due to an unpleasant experience with customer care representatives. This therefore presupposes that the attitude of customer care representatives is very important.

In the study, Adebayo (2008) mentions that 76% of customers who have had a bad experience shared it with others. The study as mentioned by Adebayo (2008) stated that 94% callers who had a pleasant and positive customer experience said they would stay with the network.

He adds that subscribers would not settle for operators who promise cars and new televisions but those who provide a high level and satisfactory complaint resolution via friendly processes. He reiterates that customers who have a positive experience are likely to repeat it and thereby generate more airtime for the operator.

He mentions that generally satisfied customers have no incentive to look for a new operator which reduces the number of new customers needed to sustain growth.

Eniola (2006), in a similar research mentions that customer satisfaction is a fundamental marketing construct in the last three decades. He mentions that gone are the days when customer satisfaction was not a popular issue as company's considered gaining new customers more essential than retaining them.

He goes further to explain that currently there has been a change in trend as companies now treat customer satisfaction as an important issues in business and has become a high

priority in business. This Eniola (2006), mentions is very important to companies that offer services.

Eniola (2006) focused his study on investigating overall customer satisfaction of mobile telecommunications companies in Nigeria. His research results indicated 57% of his respondents were satisfied with 5% being highly satisfied. His results indicated that issues such as network quality, billing, validity period and customer support depicted a strong relationship with customer satisfaction. However, he stated that issues such as age, gender, geographic location showed a weak relationship.

Albrecht and Zemke (1985) also in their research observed that between 54% and 70% of customers who complained are likely to do business again with any company if only their complaints are resolved. Timely resolution of their complaints is likely to increase the figure to about 95%.

When customers are given the opportunity to complain the company does itself more good as it tends to increase their satisfaction (Nyer, 2000).

2.4 Customer Satisfaction and Value

Kotler et al (2005) in Principles of Marketing states that Drucker observed forty years ago that the primary task of a company is to create customers. Kotler et al (2005) stated that customers would choose the marketing offer that gives them the most value. Customers form expectations of value and act upon them. They then seek to compare the actual value they receive in consuming the product to the value expected and this affects their satisfaction and repurchases behaviours.

Every customer is likely to experience different levels of satisfaction. Dissatisfaction sets in when a product's performance falls short of the expectations of the customer. The reverse of the product meeting or matching the customer's needs or expectations brings

13

satisfaction. They add that if performance however exceeds expectations the customer is highly satisfied or delighted. Marketers therefore have a responsibility of ensuring that customers' expectations are met. They cite an interesting point that when expectations are low there is the tendency of failing to attract enough buyers the reverse of raising expectations could also cause buyers to be disappointed especially when raised expectations do not match customers perceived expectations. An example cited by Kotler et al (2005) was that of Holiday Inn which ran a campaign called "No Surprises", which promised to offer customers consistently trouble – free accommodation and service. However its guests faced a whole lot of problems and the expectations created by the campaign only made customers more dissatisfied. The campaign had to be withdrawn.

Most companies today are very successful in raising expectations and certainly delivering performance to match. They employ total customer satisfaction. Ensuring customers are highly satisfied and not just satisfied is very essential. In one consumer packaged-goods category, 44% of customers who said they were satisfied with the products switched brands later. In contrast, those who were highly satisfied are much less ready to switch.

"One study showed that 75% of Toyota customers were highly satisfied and about 75% said they intended to buy a Toyota again." This to Kotler et al (2005) said customer delight creates an emotional affinity for a product or service, not just a rational preference, and this they elude creates high customer loyalty.

It is important that companies attach so much importance to delighting and satisfying customers as the success of the company depends greatly on its customers. Kotler et al (2005) point out that customer-centred companies see customer satisfaction as both a goal and highly essential in its success. Those that achieve high customer ratings ensure that their target markets hear of it. They realize that these highly satisfied customers produce

14

several benefits for the company. Such highly satisfied customers they state would surely talk more about the company to others.

Kotler et al (2005) picked an excerpt from John Lennon's Cold Turkey some Ten Commandments of good business which sees the customer as very essential and as the lifeblood of the business. It states, that the customer is the most important person in the business; the customer is not dependent on us, we are dependent on him; a customer is not an interruption of our work, he is the purpose of it; a customer does us a favour when he calls, we are not doing him a favour by serving him; the customer is part of our business, not an outsider; the customer is not a cold statistic, he is a flesh and blood service provider was the need to step up its game in the area of networkmeone to argue or match wits with; the customer brings us his wants, it is our job to fill those wants; the customer is deserving of the most courteous and attentive treatment we can give him; and that the customer is the lifeblood of this and every business.

The above tells us how essential it is for companies to build their strategies on customer satisfaction.

2.5 Measuring Customer Satisfaction

Various tools and sets of approaches are employed in consumer satisfaction. Mont and Plepys (2003) mentions in their report on "Customer satisfaction: review of literature and application to the product – service systems" mention some of these tools for measuring customer service. They state some of these approaches could be exploratory, descriptive, comparative or interpretative, and the most common tools are consumer surveys or polls, interviews and focus group discussions.

They explain that exploratory and descriptive approaches are usually used for evaluating attitudes, opinions and public understanding of various issues some of which may include

15

health and environment, consumer attitudes towards specific instruments or coercive measures.

The comparative and exploratory approaches are involved in studying particular consumer behaviours and for development of predictions of specific factors that may affect values and attitudes, which in their turn may lead to changes in behaviour.

The interpretative they state are used for predicting the consequences of particular consumption patterns that is dematerialized lifestyles.

2.6 Tools for Measuring Customer Satisfaction

2.6.1 Mystery Shopping

This consists of natural observation conducted by specially trained persons sent by a company. These trained persons pretend to be customers or sometimes business partners. They visit some selected points of sale to gather information and observations about staff responsiveness, attitudes towards customers or products, staff quality and competence, their appearance and other related behavioural attributes) and the overall perception of the shopping experience.

Mont and Plepys (2003) points out the good side of this tool as helping to raise customer service standards and identify weak points from the customer perspective. It also allows evaluation of services from the customer side and unbiased representation of the weak point of the service. They go further to stress the fact that the direct involvement in the process allows a better understanding of customer and service provider behaviour and the important moments of their interaction that in the end might affect customer's perception of the service.

They however, mention that it is a time consuming procedure and requires significant effort to find and train mystery shoppers and hiring professional mystery shoppers can be also costly.

2.6.2 Observations

Mont and Plepys (2003) quoted Taylor and Bogdon (1984) as stating that participant observation is "research that involves social interaction between the researcher and informants in the milieu of the latter, during which data are systematically and unobtrusively collected." They mentioned that this kind of tool provides the opportunity of observing a product or service at a system level during interaction with both the user and the environment. It is unobtrusive and does not require direct interaction with participants. In other words they mention that it can be done inconspicuously. Its advantage is that it helps in obtaining information or data or observes behaviour in their natural context. The negative side of this tool is the fact that they are topically limited to a small sample of activities with the focus on only external behaviour. This therefore brings in the danger of the observer not fully understanding the perspective of participants. There is therefore the danger of completely misunderstanding the behaviour.

One more negative side is that it lacks reliability because data collected is in a non-standardized way.

2.6.3 Surveys

Mont and Plepys (2003) as stated in their report explain customer satisfaction surveys as questionnaire based information collection tool to determine the level of satisfaction with various product or service features. A good questionnaire development is essential in collecting good quality information. They mention some basic standards needed for a

good questionnaire. Some of which include the need for it to be short and concise, well formulated, easy to interpret and answer and facilitate unbiased responses.

They state the various methods for gathering survey information some of which include telephone surveys which are used to collect data from a large group of customers and to target segment markets. It's seen as a more effective means of obtaining data than email or mail questionnaire. They make mention also of online and mail surveys which they explain as very fast and also least expensive approach but they are quick to add that these kinds have usually a low response rate. They contend that they are more useful in after sale in after-sale interaction with consumers.

2.7 Managing Service Quality

Kotler et al (2005) mentions that one of the major ways a service organization could differentiate itself from its competitor is by consistently offering higher quality. They state that most service industries have joined the campaign for customer – driven quality and go further to state how in some Scandinavian countries with particular reference to Sweden how service quality is an issue of national concern. It is stated that it is of prime importance such that the government has taken the leading role in ensuring service quality by coming up with initiatives such as the Swedish Customer Satisfaction Barometer. In the United Kingdom too initiatives such as the "Best Value programme' has been established due to increasing pressure to deliver service quality. They go on to mention that like it or not the days of consumer power are here no matter how radical it might sound. The mention that the search for value begins with the needs of people in the community and again offering them the quality services they want and value. It is important that to exceed the customer's service quality expectations. They quote the Chief Executive of American Express as stating "Promise only what you can deliver and

deliver more than you promise!" (Kotler et al, 2005). They observe that customers' service expectations are formed from past encounters and experiences, word-of-mouth and the firm's advertising. They add that if perceived service of a given firm exceeds expected service, customers are apt to use the service provider again.

They explain that there is always the difficulty of measuring quality. However, the service provider should be able to determine how customers of the service perceive quality. They cited Parasuraman et al. (1990) that customer assessments of service quality are the result of a comparison of what they expect with what they experience and that an mismatch between the two is a "quality gap". This could certainly lead to customer dissatisfaction.

They go on to mention a number of quality gaps that cause unsuccessful service delivery. Some of these include the gap between consumer expectations and management perception. The issue here is management may not make out what customers want. They cite an example where mobile phone service providers might think that customers want sophisticated technology, but users may be more interested in low prices and simplicity.

Another gap they mention could be lack of inadequate training for staff to professionally handle customer's needs or concerns. Also there could be a gap between management perception and service quality specification. Management they state may understand customer's expectations but not set a performance standard. They cite a clear example as in a restaurant manager asking his team to deliver a fast service without giving in figures how fast the service ought to be.

All said and done one clear point they seek to make is the gaps that exist between customers' expectations of service quality and the service quality experienced determine customer satisfaction.

2.8 Drivers of Customer Value of Cellular Services

Eniola (2006), quoting past research works by Booz, Allen and Hamilton (1995); Danaher and Rust (1996); Bolton (1998); Gerpott (1998) and Wilfert (1999) said there were four key drivers namely; network quality, price, customer care and personal benefits.

The network quality refers to excellent indoor and outdoor coverage, voice clarity, and no connection breakdowns. Price is what is paid to obtain access to use the network. Customer care refers to the quality of the information exchanged between customer and network provider in response to enquiries and other activities initiated by the network provider. For example presentation of invoices. Personal benefits refer to level of perception of the benefits of mobile communication services by individual customers.

Eniola (2006) goes on to say that it is obvious from this review that one of the factors customers use to determine satisfaction level is the benefits received from the product or service in comparison with what is spent.

2.9 Customer Dissatisfaction

Cook (2008) in her book "Customer Care Excellence – How to Create an Effective Customer Focus", says as the power of customer increases, customers are becoming more vocal in expressing their dissatisfaction. As the vast majority of customers still do not complain, those that do give the company both valuable insights and the opportunity to rescue the situation. Yet many organizations still do not actively encourage complaints. She goes on to mention that in the United Kingdom the regulatory body for the financial services industry, the Financial Services authority, is trying to buck this trend by spearheading an initiative called "Treating Customers Fairly", which sets out guidelines for dealing with complaints. This provides a definition of a complaint as any expression of dissatisfaction. It promoted the benefits of effective complaint handling, which she says

20

includes improved customer retention, avoidance of unfavourable publicity, avoidance of legal costs, ssaving time, as well as giving information to prevent future problems.

Knowledge and Skills Level of Employees

Garelis (1996) mentions that by implementing a technology that provides employees with the right tools a company simply enables its employees to take full ownership of their jobs and as such improves the overall service quality. Garelis (1996) goes on to state that an investment in people would provide the best service possible and that without these investments an organization may be able to provide adequate customer service but is likely it will not surpass the increasingly higher levels of quality service offered by competitors. Spoor (1994) adds that training is essential as without it cellular operators cannot effectively sell products and services.
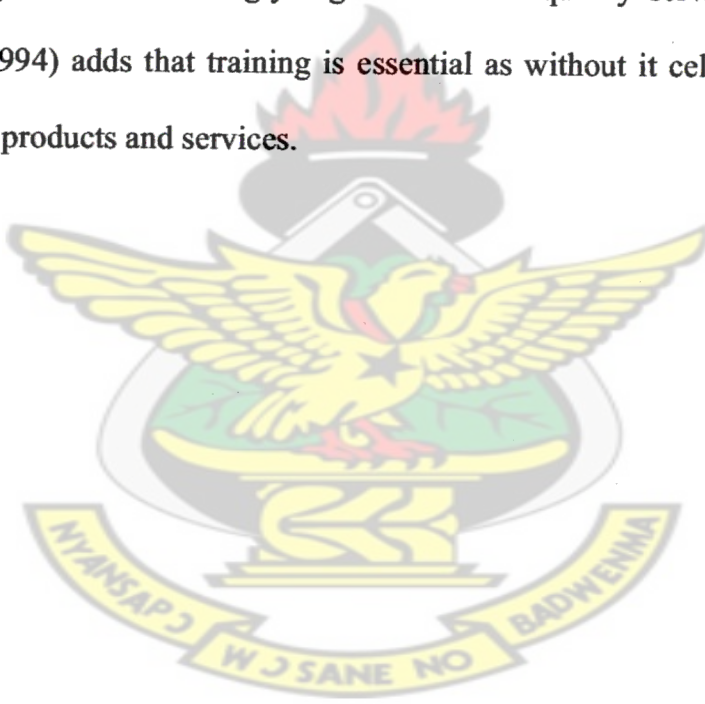
CHAPTER THREE

RESSEARCH METHODOLOGY

3.1 Profile of Case Study Organization

MTN (Mobile Telecommunications Network) is truly committed to maximizing productivity and efficiency by delivering uniquely designed communication solutions. As the leading telecommunications company, MTN is focused on providing excellent telecommunications services across the African continent. MTN believes that through access to communication comes economic empowerment. Its vision is to be the leading telecommunication service provider in emerging markets.

Its mission is to build shareholders' value by ensuring maximum customer satisfaction through providing latest telecom service at the most economic rates while meeting its social responsibilities as a good corporate citizen and providing growth prospects for its employees.

It has three major operating regions namely; MENA (Middle East and North Africa), SEA (South and East Africa) and WECA (West and Central Africa). MTN Ghana which falls under the WECA region is incredibly significant to MTN's overall global portfolio and the third largest contributor to the Group after Nigeria and South Africa.

MTN has a wide variety of network services as well as segments. These are specially designed for different kinds of people to enhance their mobile experience, while others add value to their subscription with us. MTN's cost-effective solutions will bring a smile to your face. MTN understands that the best way for you to gain a competitive edge in a local market is to offer different segments which suits people's life styles and economic situations whilst allowing you to enjoy the best solutions and offerings available. MTN

gives its customers the option to migrate into a preferred segment and enjoy truly amazing offerings.

MTN is a household name throughout much of Africa with a presence in 21 countries in African and the Middle East. It is rare today to go to an African capital and not see the presence of MTN from the cities to the most rural areas. This is evidence of a company that has truly brought a great service to millions of Africa's entrepreneurs and citizens.

Equipped with a proven record of technological innovation and a corporate culture that thrives on understanding telecommunications in emerging markets, MTN continues to consolidate its leadership position in the country. For MTN, innovation means understanding the needs of its customers and finding solutions that best meet their needs. MTN is therefore poised to provide great customer experiences and to further enrich its service offerings to its millions of subscribers by providing a better network with even better technology, an obligation to changing its customers' lives, and a commitment to giving back to the communities it operates in. MTN recognizes the rapid increase in its subscriber base as a result of its superior value proposition and is clearly the network of choice for the overwhelming majority of new subscribers. With this, MTN looks forward to the future with great hope and wish to reaffirm its commitment to the provision of World Class Telecommunications services to the good people of Ghana.

MTN is the market leader in the increasingly competitive mobile telecommunications industry in Ghana. It offers subscribers a wide range of exciting options under Pay Monthly and Pay As You Go Services. After one year of rebranding Mobile Telecommunications Network (MTN) in the country, the organization is focused on consolidating its position as the leader in the market and to fulfill its commitment of bringing world class telecommunication services to the country. In this regard, MTN has

invested substantially in a Network Expansion Initiatives meant to enhance speech quality, improve coverage intensity and to extend coverage to new areas.

MTN has integrated mobile telecommunication services into the development of a brand that has become a lifestyle. This fact is clearly demonstrated by its active involvement in various marketing initiatives that are close to the hearts of subscribers. MTN has responded to these needs by introducing a number of exciting products and services including the GPRS roaming, WECA tariffs, Blackberry phones and services and the recent MTN Zone which gives fantastic discounts to its pre paid subscribers. MTN acknowledges its responsibility towards its stakeholders to sustain long term mutual value. In this regard, MTN Ghana has established relationships with governments and community groups to enable us work together to achieve profitability. It is also extremely proud of the fact that MTN Ghana has launched a foundation (MTN Ghana Foundation) which is driving its Corporate Social Responsibility Programs.

MTN, the leading telecommunications company in the emerging markets of Africa and the Middle East, entered the Ghanaian market following the acquisition of Investcom in 2006. MTN is the market leader in the increasingly competitive mobile telecommunications industry in Ghana. It offers subscribers a maze of exciting options under Pay Monthly and Pay As You Go Services. MTN's network coverage is extensive, covering all ten regional capitals and many rural and remote areas. MTN continues to invest heavily in infrastructure to expand its coverage across the country. The MTN brand is driven by five key values. They are Leadership, Innovation, Integrity, Relationships and Can-do. MTN has integrated mobile telecommunication services into the development of a brand that has become a lifestyle .This fact is clearly demonstrated by its active involvement in various marketing initiatives that are close to the hearts of subscribers.

The company currently has a market share of fifty – four percent (54%) and has a subscriber base of six million, seven hundred thousand (6,770,000) including both Pay As You Go (prepaid) and MTN VIP (pay monthly/contract) customers. It has seven main divisions within the organization namely; Sales and Distribution, Corporate Services, Marketing, Technical, Finance, Capital Group Project and the Human Resource division. It has staff strength of about one thousand two hundred (1200) both local and expatriate staff.

3.2 Study Methods and Design

A descriptive cross-sectional survey was done. Quantitative research methods were employed in the study which involved interviews to a simple random sample of respondents who were mobile phone users subscribing to the Mobile Telecommunications Network (MTN) network brand.

The questionnaire was designed covering areas such demographics, probability of subscribers switching to other networks, level of customer service delivery and also how complaints were handled by the service provider.

The questionnaire was pre-tested in a similar population of mobile phone users of a different network in a neighbouring community to test for clarity, validity and reliability of the questions after which the tool was revised accordingly and finalized for use.

3.3 Data Collection Techniques and Tools

A simple structured, pre-tested, questionnaire was administered by the researcher. The researcher collected the necessary data from respondents and on return from the field each day assisted a data entry clerk to enter the gathered information into a computerized

program-Statistical Program for Social Sciences (SPSS) version 16 statistical software package. The analysis sought relationship between demographics and other variables such as switching factors, network access, timeliness of complaint resolution, etc. The idea was to see how strongly related or weak these variables are to the other. Also significant levels were checked to help in data analysis.

The researcher chose to collect data in the mornings and late afternoons due to the fact that during these hours there was an influx of subscribers to and from the market and also a large number of commuters to and from work to these bus terminals. The researcher chose to personally administer the questionnaire due to the fact that respondents were not likely to respond since people around the market were mostly illiterates and semi literates. For the literate population they did not seem to have the luxury of time to fill the questionnaires hence the researcher, with the aid of two research assistance, took it upon herself to fill it up for them. Personally administering the questionnaires by the researcher was a great idea as it gave her the opportunity of getting first hand information and also it was cheaper in terms of cost and a much faster means of data collection.

The data was collected over a three day period due to the number of respondents the researcher wanted to interview.

3.4 Study Population

Study population was mobile phone subscribers in the Kumasi Metropolis in Kumasi, Ghana who regularly patronise the services of the MTN brand.

3.5 Sampling Techniques

The researcher used all the listed major towns or suburbs of the city obtained from the Kumasi Metropolitan Authority. Simple random sampling was used to select 20 suburbs each of which represented a cluster of potential respondents. Each cluster was entered and purposive sampling was employed to select ten subscribers willing to be interviewed.

On entering the selected towns the market area or bus terminal was identified as the place of sample selection. Each fifth mobile phone user who passed by the research assistants were solicited for an interview provided they subscribed to the MTN brand. If they obliged then the questionnaire was administered until the 10 respondents required in each cluster was obtained and then the next cluster was entered until the required sample size was obtained.

This plan was followed until the required sample size of about 200 respondents was interviewed for data entry, cleansing and further analysis.

Table 3.1: list of selected suburbs constituting sample framework from which 10 respondents were selected randomly.

Amakom	Ofrorikrom	Aboabo	Ahinsan	Bremang
Ayigya	Asafo	Adum	Suame	Dichemso
Ashanti new town	Asawase	Atonsu-Agogo	Buokrom estates	Pankronu
Old Tafo	Krofoum	Maakro	Kwadaso	Asokwa

3.6 Sample Size

A total number of 200people were interviewed for this study.

Dillman (2000) and Hill et al., (2003) according to Eniola (2006), reckons that a sample size of 100 and above is sufficient to present a good and concise research finding and also, provides a good representation of the population or organization on any subject investigated.

3.7 Pre-Testing

The questionnaire was pre-tested among similarly matched respondents in nearby communities not listed and who were not users of the MTN mobile telephone network.

3.8 Data Handling

Regular weekly meeting was held between the principal investigator and research assistants.

Data was entered onto an SPSS for windows version 16, database after each weekly meeting between the Principal Investigator and research assistants.

The database was then edited and cleansed and then subjected to statistical analysis by both SPSS statistical package and further analysis by Stata Statistical software package SE9, at the end of the exercise.

3.9 Ethical Considerations

Ethical approval was obtained from the Local Research Ethics Committee at the School of Graduate Studies Kwame Nkrumah University of Science and Technology, Kumasi, Ghana through the Institute of Distance Learning.

Written informed consent was obtained from all willing participants.

3.10   Limitations of Study

Sampling bias may have been inadvertently introduced due to purposely restricting ourselves to respondents found on the streets patronising the market area within a

28

3.11 Assumptions

To achieve the objectives of the study, the following assumptions were made: Firstly, it was assumed that opinions expressed by the respondents were fairly representative of the views of the general population and that these findings could be extrapolated to the general population. It was not only assumed that the respondents understood the questions, but that the field workers were also careful in the administration of the questionnaire and that the answers provided by respondents were not altered prior to entry. The respondents were deemed to be truthful and did not give socially desirable answers. Besides, the data entry for analysis was deemed to be correctly done under the reasonable care and skill of the researcher.

CHAPTER FOUR

RESULTS, ANALYSES AND DISCUSSIONS

This chapter provides a summary of the results, analyses and discussions of the survey conducted over a two week period in the month of April 2009 by means of cross tabulations, frequency tables, graphs and appropriate inferential statistical techniques.

4.1 Socio-Demographic Characteristics of Respondents

Majority (62.5%) of the 200 respondents were in the 21-30 years age group, less than 7% above 40 years of age and about 14% below 20 years of age.

Over 78% of respondents in the 21-30 yrs group were also educated up to senior high school level or above. More than 72% of respondents above 41yrs of age also had up to junior high school grade or lower. [$\chi2$ 60; df (20); p< 0.001]

Table 4.1: Frequency table of respondents' age groups

Age groups in years	Frequency	Percent	Cumulative Percent
< 20	27	13.5	13.5
21-30	125	62.5	76
31-40	35	17.5	93.5
>40	13	6.5	100
Total	200	100.0	

Figure 4.1 : Education of Respondents by age

Figure 4.1 : Education of Respondents by age
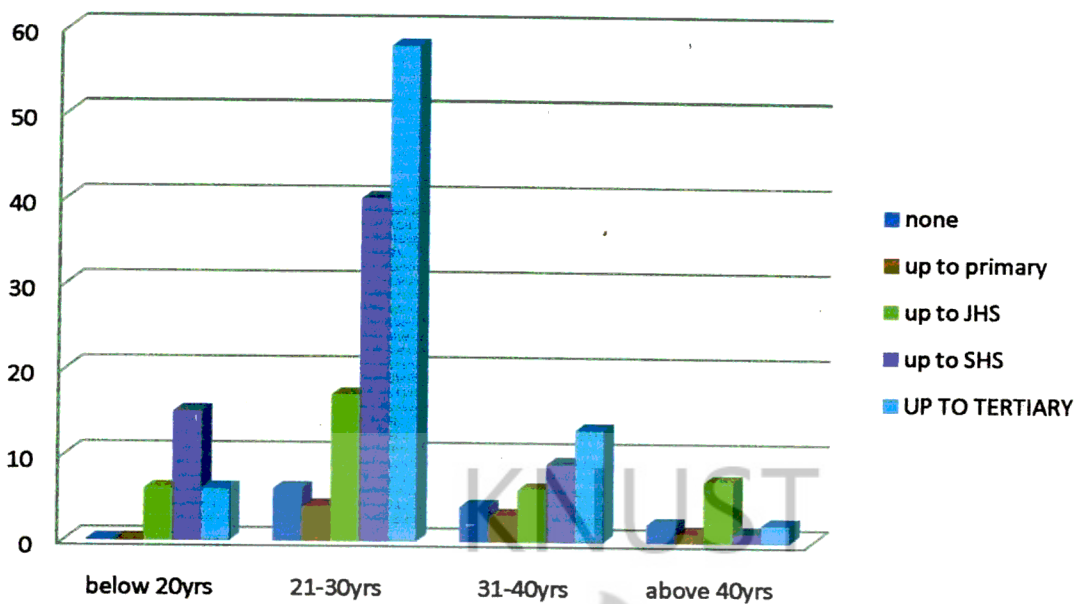
Majority of the respondents (57.5%) were males and the rest (42.5%) females. (Figure 3) Two out of every five of the respondents had tertiary education, one half (50%) had junior or senior secondary education and 20 others (10%) had up to primary or no education. (Figure 4); and about 70% of the respondents in each gender category had up to senior high school education or more.

Figure 4 2 : Sex of respondents

Gender
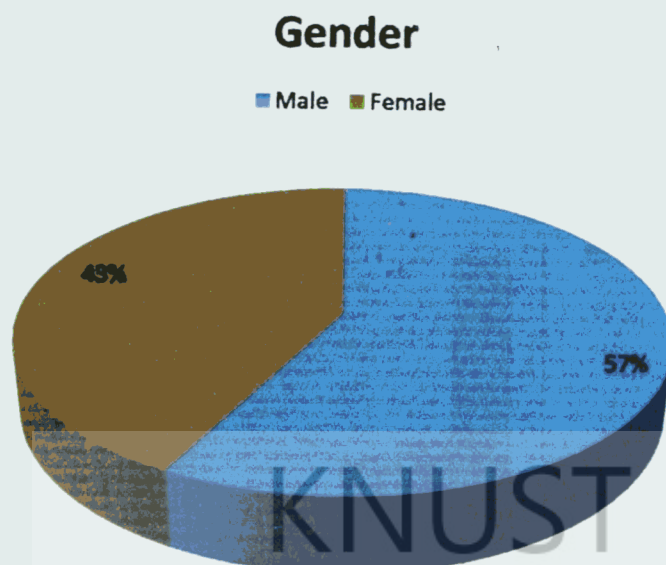
Figure 4 3: Educational level of Respondents
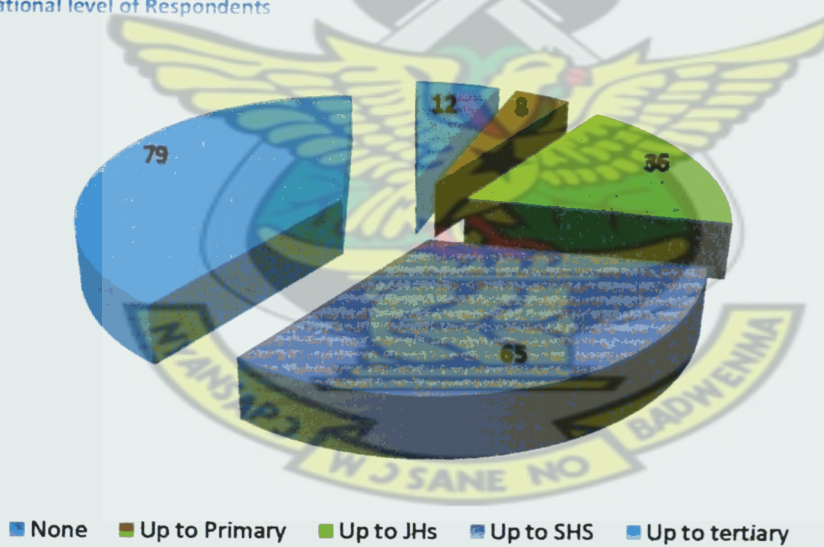
Education

Figure4: Educational level of respondents by sex
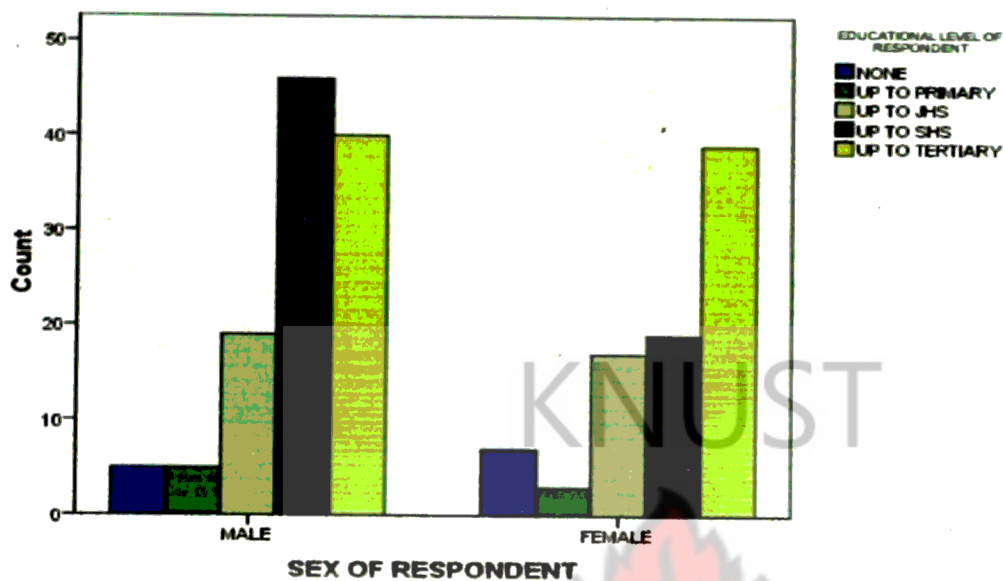
Table 4.2: Educational level of respondents by occupation

Occupation of respondents

Educational level		Unemployed	Employed	Total
	None	0	12	12
	Up to primary	1	7	8
	Up to JHS	4	32	36
	Up to SHS	26	39	65
	Up to tertiary	46	33	79
	Total	77	123	200

$\chi2$ value 34.2 df (4) p<0.001

Figure 4. 5: Length of stay of respondents with network

- ■ < or = 2 years
- ■ 3-4 years
- ■ 5-6 years
- ▨ > 6 years
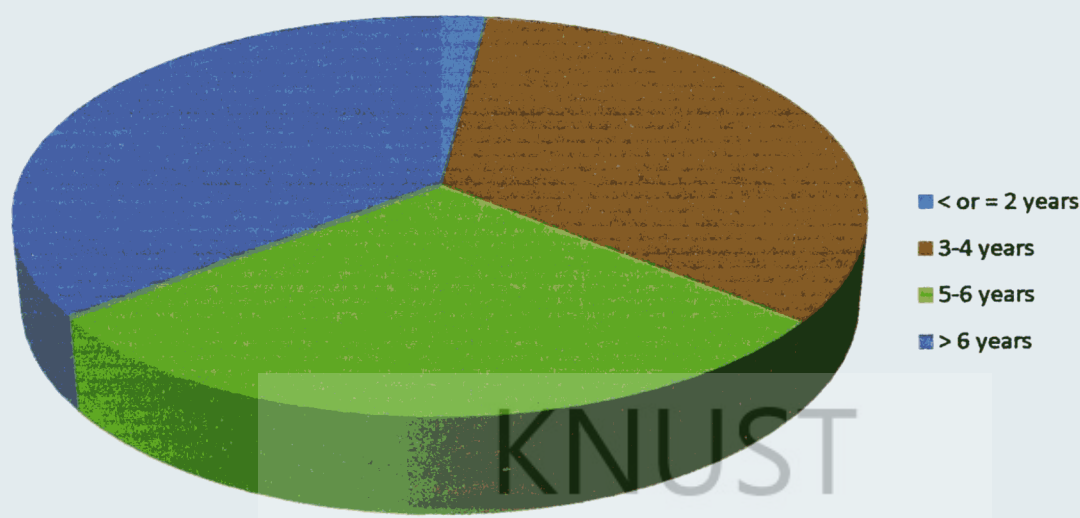
Figure 4. 6: Occupation of respondents by sex
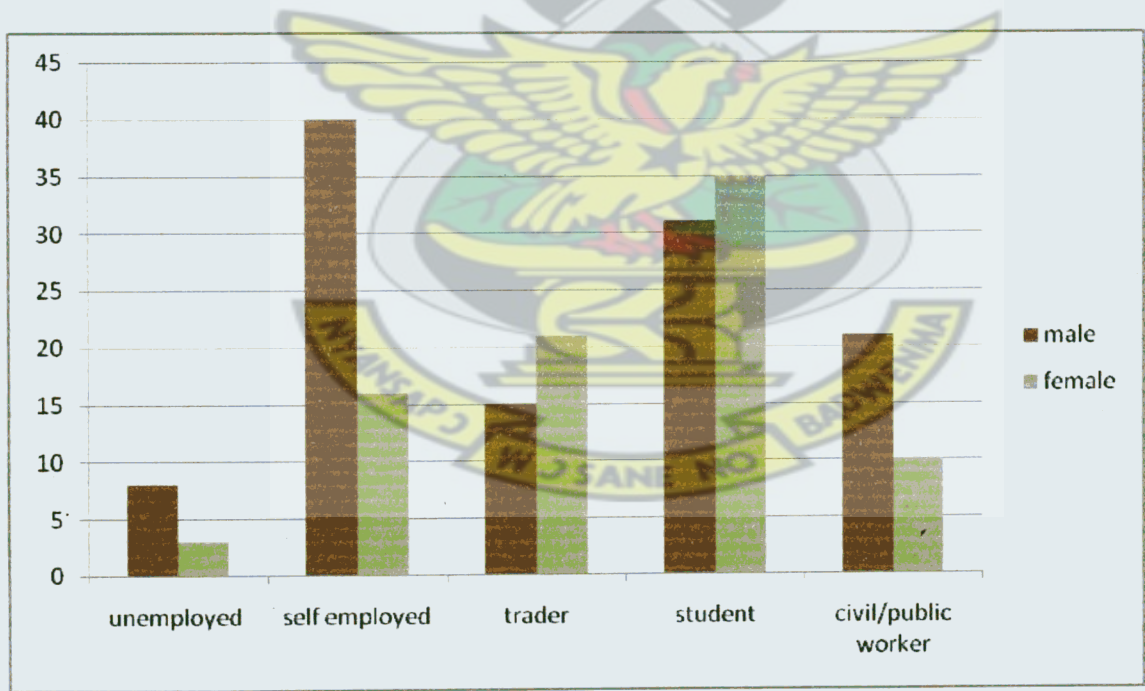
The results of the survey revealed that majority of the respondents 152 (76%) [95%CI 69.5-81.7%] are below age 30 years and nearly 94% below age 40, showing perhaps a relatively youthful age group for MTN subscribers in the Kumasi Metropolis.

The 21 – 30 years age group it was observed were better educated most of them up to Senior High School level or more (figure 1). This means that majority of the respondents were not only youthful but also highly educated. Even among those aged 41 years and over, 72% had education up to at least Junior High School (JHS) level and implies that most MTN mobile subscribers have at least some level of secondary education. This means that customer care practices from service provider would needs be high and of appreciable standards in order to meet customer demands for excellence. A well educated clientele also have implications for customer-appreciation of the introduction of new and innovative products and services by the network provider.

The study also revealed that nearly 62% [95%CI 54.4-68.3%] of the respondents were employed, either self or in the public and civil service. This may be good from a purely sales perspective as those in the employed category may be in a position to patronise products and services from the company and therefore more revenue.

4.2 Customers Level of Satisfaction with Network Access

More than half (55%) of the 200 respondents said they were satisfied with accessing MTN network services; with a further 9% saying they were highly satisfied. Thirty-seven other respondents, (19%) were however indifferent in their response but 36 others (18%) were dissatisfied or highly dissatisfied with MTN network access. (Table 4.2)

Of those respondents (n=36), (table 4.3) who were highly dissatisfied or simply dissatisfied none (0%) were from the primary or lower levels of education whilst 33 (92%) were educated up to SHS level or beyond. [p< 0.001]

Table 4.3: Level of satisfaction with network access among respondents

	Frequency	Percent	Cumulative Percent	95% Conf Interval
Highly satisfied	18	9	9	5.4-13.9
Satisfied	109	54.5	63.5	47.3-61.5
Indifferent	37	18.5	82	13.4-24.6
Dissatisfied	26	13	95	8.7-18.5
Highly dissatisfied	10	5	100	2.4-9.0
Total	200	100		

Level of satisfaction with network access

		Highly satisfied	Satisfied	Indifferent	Dissatisfied	Highly dissatisfied	Total
Educational level	None	3	7	2	0	0	12 (100%)
	Up to primary	2	4	2	0	0	8 (100%)
	Up to JHS	3	22	8	2	1	36 (100%)
	Up to SHS	7	47	7	2	2	65 (100%)
	Up to tertiary	3	29	18	22	7	79 (100%)
	Total	18	109	37	26	10	200

χ2 value 47; df (16); p<0.001

Similarly of those respondents (n=36), (table 4.4) who were highly dissatisfied or simply dissatisfied (n=36), nearly (67%) expressed their intention of switching from MTN to other networks whilst, of respondents who expressed satisfaction or, more, (n=127), nearly 83% intended to stay loyal to the MTN brand although 22 others (17%) in these satisfied categories still intended to switch networks [p< 0.001].

Level of satisfaction with network access

		Highly satisfied	Satisfied	Indifferent	Dissatisfied	Highly dissatisfied	Total
Switching?	Yes	2	20	15	15	9	61
	No	16	89	22	11	1	139 (100%)
	Total	18	109	37	26	10	200

χ^2 value 38; df (4); p<0.001

KNUST

Figure 4.7: Satisfaction level with network access by intention to switch loyalty

Bar Chart
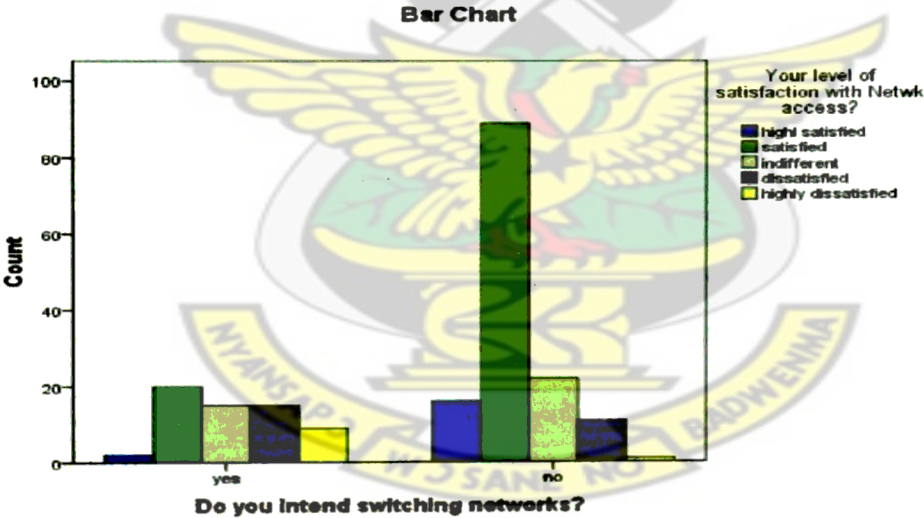
Although about three in five (64%) of respondents said they were satisfied or highly satisfied with the quality of network access in the city it may not be too good from a business perspective because of the known relationship between the quality of network access and customer satisfaction levels. The better the quality of network access the more satisfied customers will be and hence translate perhaps into customer loyalty and retention.

That close to 20% of respondents said they were dissatisfied or highly satisfied should be worrying because it implies potential migration of dissatisfied customers to rival networks with better quality of service and therefore huge financial loss to the company; (Adebanjo . 2001; Hee-SU, K. and Choong-Han, Y., 2004).

Not surprisingly the study also showed that most (92%) of dissatisfied customers were well educated- up to SHS level and beyond. The relationship between education and customer satisfaction has been demonstrated in several studies. Better educated customers are more demanding for quality and more likely to express their dissatisfaction for flaws in service delivery by migrating to rival networks (Eniola, 2006; Cheng and Liu, 2007).

Indeed 67% dissatisfied respondents in the survey expressed their intention of switching networks whilst 83% of respondents in the satisfied or highly satisfied category were happy to stay and had no intention of switching loyalty. Service providers therefore have to improve and maintain a high network access quality if they are not to force their clients-especially educated one from switching loyalty to their rivals.

In the specific case of MTN- the service provider in the survey – majority of the respondents who wanted to migrate (table 6) cited poor network as their main reason for wanting out and a quarter others cited high tariffs as their main reason for intention to switch. It's encouraging though to note that at just (1.6%) poor customer care did not

40

appear to be the prime reason for desire to switch networks. However the combination of high tariffs in the face of poor network quality is a disincentive to customer loyalty and service providers would have to lower their tariffs in the face of poor network quality to compensate customers.

4.3 Reasons for the Desire to Switch Network and Loyalty to a Rival Network

Majority of respondents 37 (60.7%) [95% CI 47.3-72.9%] who indicated their intention to switch networks from MTN to a competitor cited poor network quality as their reasons for wanting to do so. About a quarter others [95%CI 14.5 -37.2%] said they wanted to do so because of high tariffs and 8 (13%) others, [95%CI 5.8 -24.2%] citing a combination of high tariffs and poor network quality. A negligible percentage (1.6%) [95%CI; 0.04 - 8.8%] however indicated poor customer care as their main reason for their intended switch to a rival network (table 4.5)

Table 4.6: Why do you intend changing networks?

	Frequency	Percent	Cumulative %	[95% Conf. Interval]
High tariffs	15	24.6	24.6	14.5 -37.2
Poor network quality	37	60.7	85.2	47.3 -72.9
High tariffs and poor network	8	13.1	98.4	5.8 -24.2
Poor customer care	1	1.6	100	0.04 -8.8
Total	61	100		

4.4 The Timeliness of Resolution of Customer Complaints by MTN Customer Care Personnel and the Level of Appreciation by Customers

At the time of the survey, 158 (79%) of the respondents admitted to having had a complaint for which MTN customer care had to be contacted either on phone by a toll free help line or personally at a customer service reception. A hundred and twenty-three (78%) [95% CI 70.6 -84.1%] of these respondents found the resolution of their complaints timely and 119 (75.3%) [95%CI 67.8-81.8%] rated the services to be good, very good or excellent. However, one in four of the respondents who had contact with customer care within a month prior to the survey found the service rendered poor or very poor; (table 4.6).

Table 4.7: How would you rate the service rendered in the resolution of your complaint?

	Frequency	Percent	Cumulative %	[95% Conf. Interval]
Excellent	23	14.6	14.6	9.5-21.0
Very good	39	24.7	39.3	18.2-32.2
Good	57	36.1	75.3	28.6-44.1
Poor	28	17.7	93	12.1- 24.6
Very poor	11	7	100	3.5-12.1
Total	158	100		

All respondents in the survey were asked to rate their level of satisfaction with customer care since joining the network.

One hundred and forty four, (72%) [95% CI; 65.2-78.1%] said they were satisfied or highly satisfied. Although 33(17%) were indifferent, 23 others (11.5%), said they were dissatisfied or highly dissatisfied, (table 4.7).

Table 4.8: Respondents level of satisfaction with customer care

	Frequency	Percent	Cumulative %	[95% Conf. Interval]
Highly satisfied	19	9.5	9.5	5.8 -14.4
Satisfied	125	62.5	72	55.4 -69.2
Indifferent	33	16.5	88.5	11.6- 22.4
Dissatisfied	13	6.5	95	3.5 -10.9
Highly dissatisfied	10	5	100	2.4-9.0
Total	200	100		

The study also showed that 17 (74%) [95%CI; 51.6-89.8%] of dissatisfied or highly dissatisfied respondents (n=23), intended to switch their loyalty to a rival network. Nearly 80% [95%CI; 72.4-86.1%] of the respondents who had no intention of switching networks (n=144) said they were either highly satisfied or satisfied. (p <0.001) [Table 4.8 and figure 4.8]

Table 4.9: Respondents level of satisfaction with customer care by their intention to switch loyalty or remain

Level of satisfaction with customer care

		Highly satisfied	Satisfied	Indifferent	Dissatisfied	Highly dissatisfied	Total
Intention to switch network?	Yes	3 (15.8%)	26 (20.8%)	15 (45.5%)	10 (77%)	7 (70%)	61 (30.5%)
	No	16 (84.2%)	99 (79.2%)	18 (54.5%)	3 (23%)	3 (30%)	139 (69.5%)
	Total	19 (100%)	125 (100%)	33 (100%)	13 (100%)	10 (100%)	200 (100%)

$\chi 2$ value 31.5; df (4); p<0.001

Bar Chart

This study showed that nearly four out of five of all the respondents had come into contact with customer care personnel within a month prior to the survey. That more than 3 in 4 of these respondents, found the resolution of their complaints timely and the same proportion finding the service rendered at the time as good, very good or excellent, is remarkable in an environment well noted for poor customer relations; (Adebayo 2008). However the nearly 25% of respondents who rated the service provided by customer care as poor and very poor is similar to results in a study done in Nigeria where 25% of respondents migrated to a rival network following unpleasant experiences with customer care personnel (Adebayo, 2008).

The current study therefore reinforces the idea that customer loyalty and retention is negatively associated with poor customer relations by service providers (Hsu and Chiu, 2008).

45

The study also showed an overall favourable rating of customer care services by respondents who use the MTN brand. Seventy two percent said they were satisfied or highly satisfied and although 17% remained indifferent the results is encouraging. As earlier remarked satisfied customers tend to stay loyal and seldom migrate to rival networks. There is however room for improvement since the close to 12% dissatisfied and highly dissatisfied customers could be lost to rival networks. Indeed 17 (74%) of such dissatisfied customers indicated their intention to switch loyalty and therefore constitute potential revenue loss to the company.

4.5 The Overall Customer-Rating of MTN Services by Respondents

Seventy of the respondents (35%) [95% CI; 28.4-42.0%] rated the overall quality of MTN services as either very good or excellent and 92 (46%) [95% CI; 38.9-53.2%] others said it was good; in contrast, 38(19%) others, [95%CI; 13.8-25.1%] rated the overall service as either poor or very poor (Table 4.9).

Table 4.10: Respondents overall rating of the quality of MTN services.

	Frequency	Percent	Cumulative %	[95% Conf. Interval]
Excellent	27	13.5	13.5	9.1-19.0
Very good	43	21.5	35	16.0-27.8
Good	92	46	81	38.9-53.1
Poor	34	17	98	12.1-22.9
Very poor	4	2	100	0.5-5.0
Total	200	100		

Nearly 84 % of the respondents who rated overall quality of MTN services as being excellent had educational qualifications up to JHS or beyond. Similarly, 94% of this same category of educated respondents rated the overall service as very good and good.

Ninety-one percent of respondents who found the service to be poor were in the educated category of JHS and beyond; and all 4 (100%) respondents who rated the service as very poor had tertiary education; (table 4.10 and figure 4.8) [p<0.001].

Table 4.11: Overall rating of MTN services by educational level of respondents by prior contact with customer care personnel.

		Overall rating of MTN services					
		Excellent	Very good	Good	Poor	Very poor	Total
Educational level	None	2	1	3	2	0	8
	Primary	2	1	2	0	0	5
	JHS	9	5	10	0	0	24
	SHS	9	15	24	3	0	51
	Tertiary	2	10	38	16	4	70
	Total	24	32	77	21	4	158

$\chi 2$ value 38.8; df (16); p<0.001
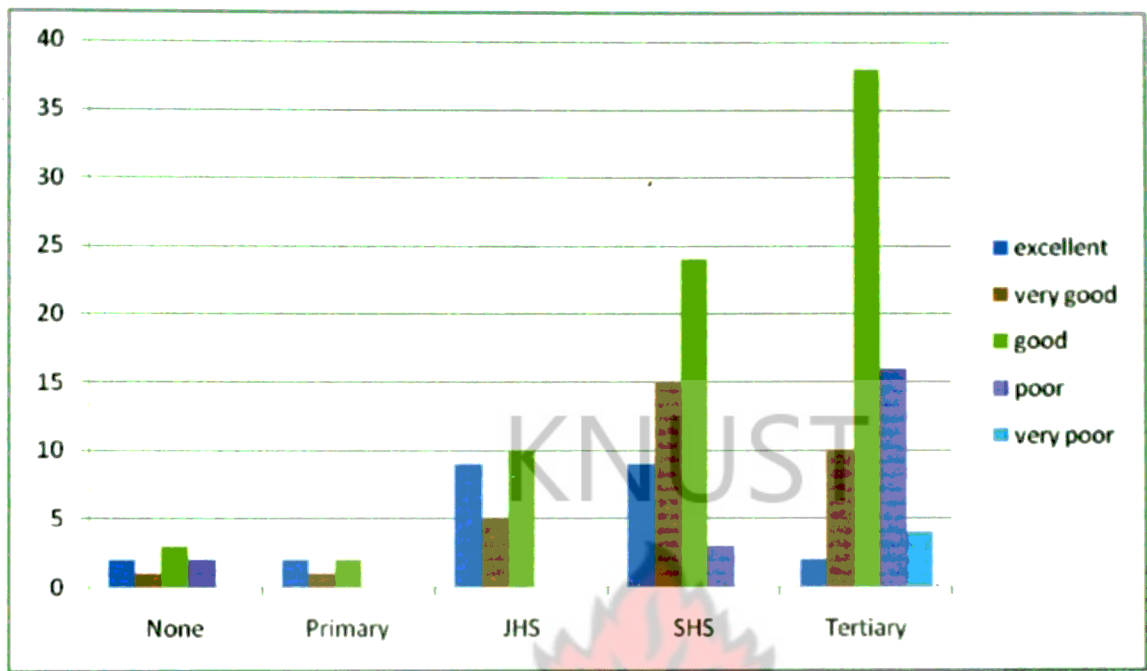
Nearly 93% of respondents who were highly satisfied with network access, (N= 14) gave a favourable rating of either very good or excellent for overall MTN services. This percentage dropped to 40% among respondents who said they were satisfied with network access. There was a further drop in those dissatisfied respondents with network access to just 13%; whilst no highly dissatisfied respondent rated overall MTN services as being very good or excellent. (Table 4.11 and figure 4.9); [p<0.001]

Table 4.12: Overall rating of MTN services by respondents' level of satisfaction with network access by prior contact with customer care personnel

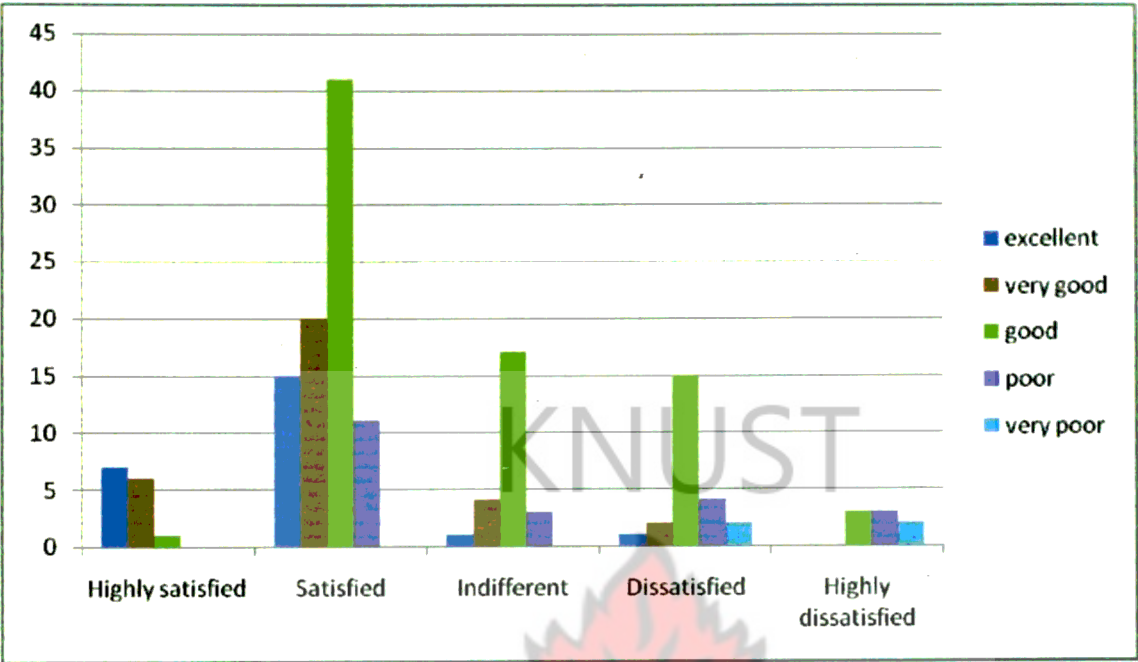| | | Overall rating of MTN services | | | | | |
		Excellent	Very good	Good	Poor	Very poor	Total
Satisfied with Network access?	Highly satisfied	7 (50%)	6(43%)	1(7%)	0	0	14(100%)
	Satisfied	15(17%)	20(23%)	41(47%)	11(13%)	0	87(100%)
	Indifferent	1(4%)	4(16%)	17(68%)	3(12%)	0	25(100%)
	Dissatisfied	1(4.2%)	2(8.3%)	15(62.5%)	4(16.7%)	2(8.4%)	24(100%)
	Highly dissatisfied	0	0	3(37.5%)	3(37.5%)	2(25%)	8(100%)
	Total	24	32	77	21	4	158

χ2 value 60; df (16); p<0.001

Nearly 94% of respondents who were highly satisfied with customer care services, (N= 16) gave a favourable rating of either very good or excellent for overall MTN services. This percentage dropped to 32% among respondents who said they were satisfied with customer care services. However only 17% of respondents who said they were dissatisfied with customer care services rated overall MTN services as being very good or excellent. No highly dissatisfied respondents rated overall MTN services as being very good or excellent (Table 4.13 and figure 4 10); [p<0.001]

Table 4.13: Overall rating of MTN services by respondents' level of satisfaction with customer care by prior contact with customer care personnel

		Overall rating of MTN services					
		Excellent	Very good	Good	Poor	Very poor	Total
Satisfied with Customer care?	Highly satisfied	9	6	1	0	0	16
	Satisfied	12	21	56	12	0	101
	Indifferent	3	3	9	5	0	20
	Dissatisfied	0	2	5	3	2	12
	Highly dissatisfied	0	0	6	1	2	9
	Total	24	32	77	21	4	158

χ^2 value 66; df (16); p<0.001
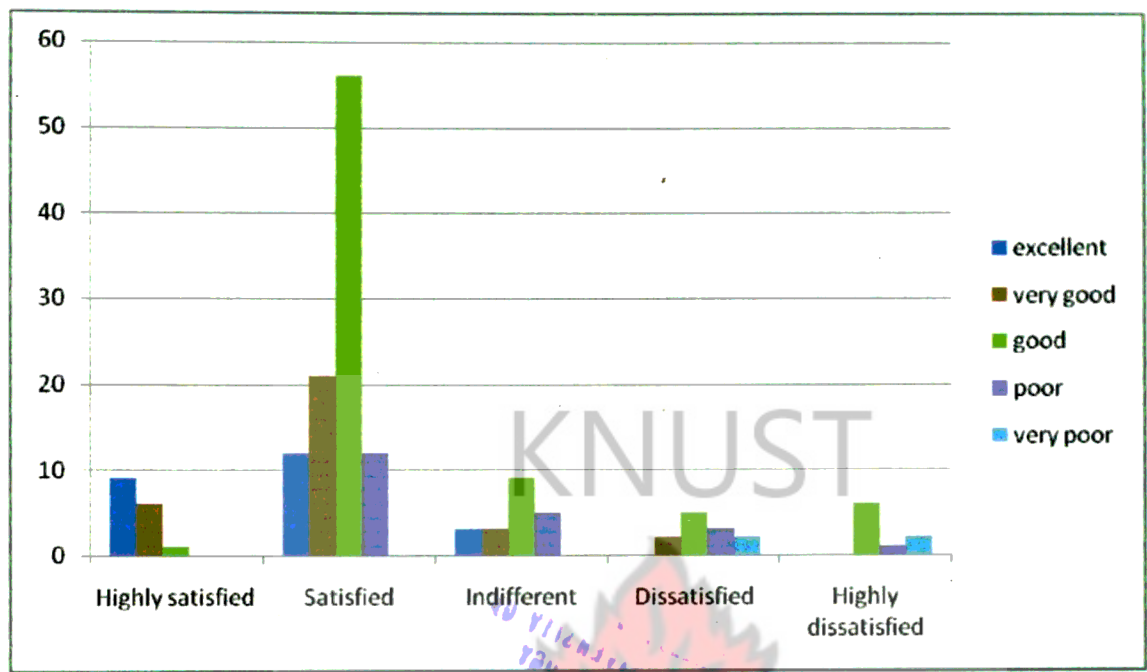
The overall customer rating of MTN services showed a whopping 81% [95%CI; 75-86%] giving the network a good to excellent rating. Nearly 20% [95%CI; 14-25%] though rated the overall service as poor or very poor.

Twenty percent poor rating from a business perspective is certainly bad business as these customers represent potential migrants to rival networks.

The significant statistical observation in this study between educational level of respondents and their rating or appreciation of the services being provided is not unusual. For example nearly 84 % of the respondents who rated overall quality of MTN services as excellent had educational qualifications up to JHS or beyond; similarly, 94% of these same categories of educated respondents were the ones who rated the overall service as very good and good. Paradoxically 91% of these same categories of educated customers were the ones who rated the services as poor or very poor.

This is similar to results in other studies and tells us that the educated expect more from service providers and they can be both appreciative and disenchanted in one breath by good or poor service quality. The educated expect value for money and normally set the tone for improved services from network providers and could be the potential drivers for customer loyalty and retention by what they recommend to others; (Salazar et al., 2004).

A customer's perception and therefore rating of the quality of network access influenced their overall rating of services from the MTN brand. Respondents who were highly satisfied or satisfied with network access tended to give higher ratings than respondents who were dissatisfied, (table 12). This is not a spurious statistical association as studies in customer oriented businesses generally show a strong level of customer satisfaction with service quality, (Salazar et al., 2004). The network provider must therefore do all it can to maintain or improve the quality and standards of its network accessibility in order to invoke customer confidence and satisfaction in the brand.

Finally the statistical association observed in this survey between levels of customer satisfaction by respondents who had come into contact with customer care personnel and their overall rating of MTN services is unsurprising and is to be expected, (table 13 and figure 10). For instance nearly 94% of respondents highly satisfied with customer care after contact rated overall services by network provider as very good or excellent. These are the clients likely to recommend service provider to friends and families (Salazar et al., 2004; Lapski, 2004). It is therefore important that customer care practices are constantly reviewed and staff skills updated in order to satisfy the constantly growing well educated and demanding clientele in the mobile telephony industry.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

In an era of fierce competition in the mobile telephony industry in Ghana, customers have become extremely conscious in getting real satisfaction from services rendered by these mobile network operators. In view of this more and more organisations are becoming customer – centric as the customer is seen as the life line to the business, (Cook, 2008).

The current study despite all its limitations has highlighted critical areas in the mobile telephone industry where service providers have some amount of work to do in order to have a competitive edge over their rivals in the industry particularly the quality of network access and customer-care relationships.

To begin with, the study has shown that most mobile phone users of the MTN brand are young, youthful and well educated-most of them (78%) having at least senior high school education and more than three-fifths are employed.

Secondly, about three out of five patrons (64%) of the MTN brand interviewed said they were highly satisfied or satisfied with the quality of network access. Although close to one fifth of interviewees (19%) were indifferent about the quality of network access. A similar proportion expressed their dissatisfaction with the quality of network accessibility and most of this clientele were well educated who would be expected to make demands on their network provider to provide value for money or else expect migration to rival networks. The fact that 85% of customers who expressed their intention to switch loyalty cited poor network or a combination of poor network quality and high tariffs as their main reasons for wanting to switch networks tells of the expectations of their clients; value for

money!. There is the need therefore for the MTN brand to improve the quality of their network access to satisfy their growing clientele.

Furthermore the study although did show a 72% favourable rating by customers who indicated their satisfaction with MTN customer care relations there still exists an appreciably huge performance gap at least from a client's perspective at the customer care department at the company. A twenty five percent poor or very poor rating in customer relations is certainly nothing to be enthused about in a predominantly customer driven industry. The company can do more to improve their relationship with customers in order to induce customer loyalty and retention in an increasingly competitive market.

Finally the more than 80% good to excellent overall rating by MTN subscribers is commendable for the company's corporate image especially as close to 94% of these respondents were those who said they were satisfied or highly satisfied with customer care.

In conclusion good customer care relations are important if existing subscribers are to remain loyal to the brand and also attract new ones to the service. The researcher therefore makes the following recommendations to the service provider and other stakeholders.

Recommendations

1. To The Service Provider

The results of the study clearly indicates that MTN Ghana will have to step up its' game in the area of network quality so as to keep its' market share. The network is the basis of the business and customers will only stay on the net if the network is

good. The service provider stands a good chance of maximising revenue if it improves its' network to meet customers' expectations.

Also it would be an added advantage if the service provider could possibly reduce network tariffs in the face of network challenges or come up with more innovative products to compensate for high tariffs and build loyalty. Customers are expecting value for their money and the onus lies on the service provider to deliver. In an era of stiff competition introducing discounted tariffs and catchy and reduced charges will help build customer loyalty. From the study some respondents indicated that the motivation for switching to other networks would be cheaper tariffs from other competitors.

It is worth mentioning that the service provider must have consistent refresher training programmes to help develop its staff in excellent customer service delivery and complaints handling. Knowledgeable staffs are definitely an asset and surely will enhance their skills in service delivery. Most often organisations are a bit hesitant in training their staff as they argue that you invest in them in terms of training and they resign at the end of the day. The researcher will want to stress that staff training will go a long way in fetching the service provider more revenue as customer are sure to get their concerns professionally addressed and sure to increase satisfaction.

2. **To other Stakeholders**

The National Communications Authority (NCA) should ensure that there is effective supervision of network quality and that tariffs are commensurate with network quality and industry standards.

The customers could form a consumer rights protection agency to serve as a pressure group in ensuring that industry protocols and standards set by the NCA are adhered to by service providers and also players in the mobile telephone industry give good value for money.

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APPENDICES

APPENDIX 1
STUDY QUESTIONNAIRE

QUESTIONNAIRE

This questionnaire seeks to collect data about customer satisfaction and loyalty in the Mobile Telecommunication network (MTN) Ghana. The information collected will be used for academic purpose only. Grateful if you could take some time to answer the below questions. Thank you.

1. Please indicate your age group.

    Below 20   21 – 30   31 – 40   41 – 50   51 – 60   Over 60.

2. Sex: Male   Female

3. Educational background.

    None   Primary   JSS   SHS   Tertiary

4. Occupation.

    Unemployed   Trader   Student   Other (Specify)

5. How long have you been using MTN?

    0 – 2 years   3 – 4 years   5 – 6 years   Over 6 years

6. Please indicate which other network you are currently using.

    Tigo   Zain   Vodafone   Kasapa

7. Any reason(s) why you use more than one network?

....

8. Do you have intentions of switching networks?

    Yes   No

9. If yes kindly indicate reasons per the below.

    High tariff   Poor network quality   Poor customer service   Other (please specify).

....

10. If no kindly indicate reasons per the below.

    Good network quality   Low tariff   Fear of losing contacts   Other (please specify).

....

11. How many times in the week do you buy a recharge card?

12. What is your level of satisfaction with regards to the accessibility of MTN service centres?

    Highly satisfied   Satisfied   Indifferent   Dissatisfied   Highly dissatisfied.

13. What is your level of satisfaction with regards to customer service delivery?

    Highly satisfied   Satisfied   Indifferent   Dissatisfied   Highly dissatisfied.

14. Have you ever visited any of the service centres or called the toll free number (111) with a complaint before?

    Yes   No

15. If yes how would you rate the response and/or action?

    Excellent   Very good   Good   Fairly good   Poor

16. Was the resolution of your complaints timely?

    Yes   No

    If no please indicate ……………………………………..

17. Are you satisfied with the means of lodging complaints?

    Yes   No

18. If no please indicate your reasons.

    ……………………………………………………………………

19. How would you rate the overall service quality of MTN?

    Excellent   Very Good   Good   Average   Poor.