

**THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION  
A CASE STUDY IN VODAFONE UGANDA**

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### DECLARATION

I **KEZABU TREVALINE** declare that this report is my original work and has never been submitted to any other academic award in any university or institution of learning for an academic reward.

Signature of candidate  .....

Date: 20<sup>th</sup> July 2017 .....

### APPROVAL

"I confirm that the work reported in this research report was carried out by the candidate under my/our supervision"

Date

20/07/2017

  
.....  
**SUPERVISOR**

**MR .LUGGYA HERBERT**

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### **ABSTRACT**

The study sought to establish the relationship between service quality and customer satisfaction in Vodafone Uganda. Vodafone Uganda is one of the recognised telecommunication companies in Uganda. The study focused on examining this relationship by applying SERVQUAL model comprising five dimensions: Tangibility, reliability, responsiveness, assurance and empathy. The data collected from 91 questionnaires were analysed using statistical tools as mean, correlation and simple regression analysis and descriptive statistics was used as well which included frequencies, means, standard deviation and percentages. The study also indicated that service quality has a positive and significant relationship with customer satisfaction

The study showed that Vodafone Uganda was trying to improve on the level of service quality demanded by customers though it was still unsatisfactory in regards to the customer expectations'. Therefore Vodafone needs to improve on all the dimensions of service quality with major emphasis on responsiveness in order to increase the level of customer satisfaction.

Keywords: SERVQUAL, Tangibility, Reliability, Responsiveness, Assurance, Empathy and Customer satisfaction.

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## **CHAPTER ONE**

### **THE PROBLEM AND ITS SCOPE**

#### **1.1 Background to the study**

The current business environment is becoming competitive and challenging than before. With multidimensional challenges and demand of globalization, the organizations are forced to re-engineer their products and systems to improve the service quality and remain competitive. (Yassin et al, 2004; Rodie and Martin, 2001). Customer service is considered as an integral part of any facet of industry and it defines the future of any organization. The rapid advances in technology based systems related to internet are leading fundamental ways in how different organization with its customer. In different services industries the relationship between customer satisfaction and service attributes have been difficult to identify because services nature is intangible ( Hong, Goo et al., 2004; Nguyen and Leblanc, 2002)

Service marketers have realized over the past that competition can be well managed through quality. Thus service quality is imperative to achieve competitive advantage. Poor quality places a firm at a competitive disadvantage. Service quality offers a way of achieving success among competing services, particularly in case of firms that offer nearly identical services.

Quality can be defined broadly as superiority or excellence (Zeithaml, 1998). In literature, the issue on how the service quality should be measured has been discussed by Teas, 1993, Brady and Cronin, 2001. The previous research suggests that quality is not perceived as one dimensional concept by customer. But also there is no agreement about how to access the service quality (Cornin and Tylor, 1992). To better understand the service quality we need to look into three characteristics of service; invisible, consistent, diverse. Because services are nonphysical it is hard to determine, record, calculate or test the service prior to the sale in order to protect the quality on its delivery (Zeithaml et al., 1988).



According to Saha and Zhao (2005), customer satisfaction is a collection of outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service. Customer satisfaction is a part of customer's experience that exposes a supplier's behavior on customer's expectation. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, quality of products and services, responses customer's problems and queries, completion of project, post delivery services, complaint management etc.

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is also defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products or its services (ratings) exceeds specified satisfaction goals (Farris, Paul W et.al.2010). And yet another definition of customer satisfaction is it refers to the extent to which customers are happy with the products and/or services provided by a business. Further definition of customer satisfaction is it is a term generally used to measure a customer's perception of a company's products and/or services. It's not a straight forward science however, as customer satisfaction will vary from person to person, depending on a whole host of variables which may be both psychological and physical. The usual measures of customer satisfaction involve a survey with a set of statements using a Likert Technique or scale (Westbrook, 1980).

In service industry, the concept of quality holds the main position. The relationship with the customer is based on the promise that customer satisfaction is achieved through providing standard quality of service. The high quality demands on customers end is becoming prominent due to the growing fact that high level of service quality leads to sustainable competitive advantage in the competitive business environment (Sureshchandar et al., 2002).

Customer satisfaction in the business management is a very important factor which determines the growth of a business. In Uganda due to the past insecurities in some regions, few business organizations have been able to put up proper structures that can support customer satisfaction and this is greatly contributing to the increasing number of unsatisfied customers in Uganda when it comes to business organization.

### **1.2 Statement of the problem**

The inadequate customer satisfaction is a frequent phenomenon in Vodafone Uganda and this has led to many customers lose interest in the services and products provided by the company.

The competition in the telecommunication industry of which Vodafone Uganda is part of is intense and several factors are forcing major challenges. Telecommunication, internet, and wireless technologies are continuing to rapid, quickly changing customer preference, disruption traditional communication methods and forcing prices downward ( Normile, 2011). All these affect customer satisfaction.

Vodafone Uganda has less coverage whereby it only covers few parts of central Uganda. They have also failed to make their products and services like airtime well accessible to the people, and also their customer service offices have not taken the time to make sure that they have all their bases covered. Despite the efforts done by Vodafone services offered are poor and do not satisfy the customers. Most of these customers are dissatisfied with the way Vodafone provides products and services to them and most of them are uncomfortable with the poor service delivery. This is because customers are not getting good service delivery in terms of network and internet services or what they expect to get from other competitors.

If this problem could not be addressed properly it will lead to many consequences which are undesirable. Therefore, the purpose of this research was to find out how the service quality affects the customer satisfaction and how it can be improved.

### **1.3 Purpose of the study**

This study will aim at determining the effect of service quality on customer satisfaction in Vodafone Uganda by discussing their relationship.

### **1.4 Research objectives**

This study was based on the following objectives:

- i) To determine the level of service quality in Vodafone Uganda.
- ii) To assess the level of customer satisfaction in Vodafone Uganda.
- iii) To find out how service quality can be improved in Vodafone Uganda.

### **1.5 Hypothesis of the study**

- i)  $H_0$ : There is a significant relationship between tangibles and overall customer satisfaction
- ii)  $H_A$  there is no significant relationship between tangibles and customer satisfaction
- iii)  $H_0$ : There is a significant relationship between reliability and overall customer satisfaction  
 $H_A$ : There is no significant relationship between reliability and customer satisfaction
- iv)  $H_0$ : There is a significant relationship between responsiveness and customer satisfaction  
 $H_A$  there is no significant relationship between responsiveness and customer satisfaction
- v)  $H_0$ : There is a significant relationship between assurance and customer satisfaction  
 $H_A$  there is no significant relationship between assurance and customer satisfaction
- vi)  $H_0$ : There is a significant relationship between empathy and overall customer satisfaction  
 $H_A$  there is no significant relationship between empathy and customer satisfaction

## **1.6 Scope of the study**

### **1.6.1 Geographical scope**

The study will be conducted in Kampala and Entebbe which are the main areas with Vodafone coverage in Uganda.

### **1.6.2 Theoretical scope**

This study was based on Disconfirmation theory of consumer satisfaction by Khalifa & Liu, 2002 which suggests that customer satisfaction/dissatisfaction is the disparity that exists between the performance of a product/service and some cognitive or emotional standards of the consumer, such as desire and expectation of customers. If perceived performance exceeds or falls short of expectation or desire, there is positive disconfirmation or negative disconfirmation and the customer is satisfied or dissatisfied respectively.

### **1.6.3 Content scope**

In terms of content, the study will focus on service quality and project success. Service quality which is the independent variable will be conceptualized in terms of tangibles, reliability, responsiveness, assurance and empathy

Customer satisfaction will be conceptualized as price fairness, customers' feedback, customers' knowledge and customers' loyalty.

### **1.6.4 Time scope**

The study will be conducted in a period of 6months. The choice of this time is basically due to the availability and completeness of data. Starting of the proposal development will be between February and April 2017and the final report will be submitted in July 2017

### **1.7 Significance of the study**

The findings of the study will assist the managers of Vodafone Uganda to identify service quality dimensions that most predict customers' satisfaction, in order to concentrate on them according to their degree of importance.

The findings, conclusions and recommendations arising from the study will help managers handle the planning process better, hence benefitting their customers by producing quality work.

The findings and conclusions resulting from the study will contribute to the body of knowledge on the relationship between service quality and customer satisfaction. Future researchers and academicians may use the study findings to further their research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the theoretical review, conceptual review and reviews of some of the works of different researchers on the relationship between the study variables.

#### **2.2 Definition of service**

Kortel defines service as any "intangible act or performance that one part offers to another that does not result in the ownership of anything" (Kortel and Keller, 2009, p, 789). Services are the production essential benefit, either in its own right or as a significant, not incidental, element of a tangible product, which through some form of exchange satisfies an identifiable customer need. ( Miller and Layton, 2000, p.661) in all service can also be defined as an intangible offer by one party to another in exchange of money for pleasure.

##### **2.2.1 Service quality**

According to Parasuraman et al. (1991), companies can competitive advantage by using the technology for the purpose of enhancing service quality and gathering market demand. For decades, many researchers have developed a service perspective (Zeithaml, 2009, Ramsaran and Fowdar, 2007). Chang (2008) describes that the concept of service quality should be generally approached from the customer's point of view because they may have different values, different ground of assessment, and different circumstances. Parasuraman, Zeithaml and Berry (1990) mention that service quality is an extrinsically perceived attribution based on the customer's experience about the service that the customer perceived through the service encounter. According to the work of Kumra (2008), service quality is not only involved in the final product and service, but also involved in the production and delivery process, thus employee involvement in process redesign and commitment is important to produce final tourism products or services.

Another research study on service quality is presented by Grönroos (2007) who focuses on a model that is a comparison between customer expectations of the service and their experience of the service they have received before. This model is named "total perceived service quality". As he emphasizes on what customer is really looking for and what they evaluate, the service quality is based on two dimensions. The first dimension is the technical quality and this dimension refers to the outcome, what is delivered or what the customer gets from the service.

The next dimension is the functional quality which refers to the manner in which the service is delivered or how it is delivered. Both dimensions affect the corporate image and the perception of quality in various ways. According to total perceived service quality model, perceived quality of a service is not only affected by the experiences of the quality dimensions that the consumer used for evaluating whether quality is perceived as good, neutral, or bad. It is also affected by the perceived quality of given service as well as the outcome of the evaluation process.

Quality can also be defined as the totality of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs (Kotler et al., 2002, p. 831). It is evident that quality is also related to the value of an offer, which could evoke satisfaction or dissatisfaction on the part of the user. Service quality in the management and marketing literature is the extent to which customers' perceptions of service meet and/or exceed their expectations for example as defined by Zenithal et al. (1990), cited in Bowen & David, 2005, p. 340). Thus service quality can intend to be the way in which customers are served in an organization which could be good or poor. Parasuraman defines service quality as "the differences between customer expectations and perceptions of service" (Parasuraman, 1988).

They argued that measuring service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services the aim of providing quality services is to satisfy customers.

Measuring service quality is a better way to dictate whether the services are good or bad and whether the customers will or are satisfied with it.

Service quality is the expected and perceived quality of all the services an organization offers. Quality is necessary for organizations that sell physical products that are manufactured as well as organizations that only sell services. Without quality, it is nearly impossible to achieve customer satisfaction. A quality good or service performs precisely according to specifications that will satisfy customers. Consequently, quality contributes to customer satisfaction. Gilbert D. H. and Gary L. F. (1999)

### **2.3 Perception of Service Quality**

Perceived service quality has been defined as the consumers' global attitude or judgment of the overall excellence or superiority of the service. Perceived service quality results from comparisons by consumers of expectations with their perceptions of service delivered by the suppliers (Lewis *et al.*, 1994; Takeuchi and Quelch, 1983; Zeithaml, 1988). It is argued that the key to ensuring good service quality perception is in meeting or exceeding what customers expect from the service. Thus, if perception of the actual service delivered by the supplier falls short of expectation, a gap is created which should be addressed through strategies that affect the direction either of expectations or perceptions, or both (Parasuraman *et al.*, 1985; Zeithaml *et al.*, 1990).

### **2.4 Customer Expectations**

Customer expectations are beliefs about a service that serve as standards against which service performance is judged (Zeithaml *et al.*, 1993); what customers think a service provider should offer rather than what might be on offer (Parasuraman *et al.*, 1988). Expectations are formed from a variety of sources such as the customer's personal needs and wishes (Edvardsson *et al.*, 1994), the customer's personal philosophy about a particular service, by promises (staff, advertising and other communications), by implicit service promises (such as price and the tangibles associated with the service), by word-



of-mouth communication (with other customers, friends, family and experts), as well as by past experience of that service (Zeithaml and Bitner, 1996).

Customer expectations play an important role in creating satisfaction. Customer's expectations are consumers' beliefs about the performance a product based on prior experience and communications. When companies fall short of those expectations, customers are dissatisfied. When companies exceed them, consumers are delighted. In both cases, customers are emotionally charged by their experience — the delighted are more likely to be loyal, and the dissatisfied are more inclined to switch. (Gilbert, D.H. and Gary, L. F. (1999). Customers' expectations are based on personal experience, observation of others, company actions, advertising, and promotion.

Each time a company delights a customer, new expectations are created. Similarly, with each change in product, price, promotion, or distribution, expectations can be affected. A major challenge for companies is to create marketing strategies which give buyers high but realistic expectations. Companies must continue to do better in light of competitor efforts and rising consumer expectations. (Gilbert, D. H. and Gary, L. F. (1999)

## **2.5 Customer Satisfaction**

On the face of it, it might seem that customer satisfaction is a pretty straightforward concept that readily lends itself to evaluation. However, upon further consideration it can be appreciated as a complex and multifaceted concept that has attracted enormous attention from both the academic and practitioner communities, not least because it is recognized as being of great significance to the well-being of individuals, firms and the economy as a whole. Satisfaction is generally recognized as a pleasurable outcome, "a desirable end state of consumption or patronization" (Oliver, 1997, p10). Precise definitions of satisfaction vary, but common themes emphasize that it is a customers' judgment of the consumption experience formed through some kind of psychological

process that involves some form of comparison of what was expected with what was received.

This does not preclude the possibility that interim judgments of satisfaction can be made (i.e. part way through the consumption process), and also allows for the possibility that satisfaction judgments may be made after specific transactions or in relation to an accumulated series of transactions. For example, a customer may form a satisfaction judgment relating to a specific encounter with a financial adviser and a satisfaction judgment relating to the overall relationship with that adviser. Similarly, consumers may form satisfaction judgments about specific attributes of a service (e.g. the responsiveness of staff, the amount of information provided, branch opening hours, etc.) or about the service overall.

The term fulfillment is commonly used in discussions of satisfaction. However, there is a danger in interpreting such a term too narrowly – rather than thinking of satisfaction as simply meeting basic customer requirements, there is an increasing tendency to see satisfaction as being concerned with positive, pleasurable experiences. Some commentators go a stage further and suggest that marketers should go beyond satisfaction and instead focus attention on “delighting customers (Berman, 2005).

Satisfaction will involve a positive experience and the delivery of a service that matches (or possibly exceeds) customer expectations; delight goes a stage further, delivering beyond expectations and generating a stronger emotional response. What is evident in most discussions of satisfaction (or even delight) is that consumer judgments are made by comparing the service that is experienced against some pre-existing standard. One of the commonest bases for comparison is that of perceptions against expectations. This is commonly referred to as the Disconfirmation Model of Satisfaction. In simple terms, when perceptions are less than expectations the result is a negative disconfirmation, resulting in a negative evaluation and a lack of satisfaction.

Confirmation of expectations or a situation of positive disconfirmation (where performance exceeds expectations) will result in a positive evaluation, usually satisfaction but perhaps also delight. There are clear similarities between this perspective on customer satisfaction and the idea that service quality is derived from the gap between expectations of what should be received and perceptions of what is actually received. The key difference arises in the way in which expectations are specified. In the case of service quality, the starting point for a comparison is some notion of "ideal expectations (what I should get); in the case of customer satisfaction, the starting point is predicted expectations (what I will get). Expectations provide only one comparison standard, although probably the most commonly used. Other comparison standards that may be relevant in satisfaction judgments include customer needs and a sense of what is fair/reasonable (equity theory).

A significant amount of marketing research is dedicated to measuring customer satisfaction and customer loyalty but especially customer satisfaction. Satisfaction ratings are major indicators of an organization's competitiveness. Today, every extremely successful company makes a concerted effort to satisfy customers. The race to beat competitors in customers' satisfaction is a powerful business objective because satisfaction is an overall indicator of how well customers rate a company's performance. (Gilbert, D. H. and Gary, L. F. (1999)

Customer satisfaction is a customer's positive, neutral, or negative feeling about the value she/he received from an organization's product in specific use situations. (Robert, B. W. and Sarah, F. G. (1996). Today, it is more important for organizations to conduct all aspects of their business to satisfy customers. Favorable satisfaction ratings not only boost sales but can also have a dramatic effect on company performance.

## **2.6 The Relationship between Service quality and Customer Satisfaction**

Since customer satisfaction has been considered to be based on the customer's experience on a particular service encounter, (Cronin & Taylor, 1992) it is in line with

the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the services from service providers in organizations. Definitions of consumer satisfaction relate to a specific transaction (the difference between predicted service and perceived service) in contrast with "attitudes, which are more enduring and less situational-oriented, (Lewis, 1993, p. 4-12). This is in line with the idea of Zeithaml et al (2006, p. 106-107). Regarding the relationship between customer satisfaction and service quality, Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. Some researchers have found empirical supports for the view of the point mentioned above (Anderson & Sullivan, 1993; Fornell et al 1996; Spreng & Macky 1996); where customer satisfaction came as a result of service quality.

In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service. (Wilson et al., 2008, p.78). Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml et al. 2006, p.106-107). This theory complies with the idea of Wilson et al. (2008) and has been confirmed by the definition of customer satisfaction presented by other researchers.

It has been proven from past researches on service quality and customer satisfaction that Customer satisfaction and service quality are related from their definitions to their relationships with other aspects in business. Some authors have agreed to the fact that service quality determines customer satisfaction. Parasuraman et al., (1985) in their study, proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction.

## 2.7 SERVQUAL

Gronroos (1988) defines the five key determinants of service quality as: professionalism and skills (technical, outcome related), reputation and credibility (image related), behavior and attitudes, accessibility and flexibility and reliability and trustworthiness (all functional, process related). However the most popular SERVQUAL model of Parasuraman et al. (1988) consisting of 5 dimensions of service quality- tangibles, reliability, responsiveness, assurance and empathy.

Initially, only five dimensions of service quality were indicated by the SERVQUAL approach. Tangibles (physical facilities, equipment, and appearance of personnel); 2. Reliability (ability to perform the promised service dependably and accurately); 3. Responsiveness (willingness to help customers and provide prompt service); 4. Assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence); and Empathy (caring, individualized attention the firm provides its customers). A key aspect of this model is the customers' determination process for perceived service quality.

Expected service and perceived service are both directly influenced by the determinants of service quality which finally determine the overall level of service quality. The SERVQUAL instrument is a two-part questionnaire. The first part consists of twenty two items measuring expectations of customers and the second part consists of twenty two similarly worded items measuring perceptions or experience of customers. Assessing the quality of service involves computing the difference between the ratings customers assign to the paired expectation/ perception statements. SERVQUAL is designed as a diagnostic instrument to identify areas of strength and weakness in the delivery of services. Furthermore, the importance of SERVQUAL has been to use "gap scores" in the measurement of service quality (Cronin and Taylor, 1992, 1994). It is the gap between perceptions and expectations that underpins the formulation of the SERVQUAL model, the service quality measuring instrument originally developed by Parasuraman et al. (1988)

### **2.7.1 Criticism of SERVQUAL**

The service quality gaps models can be criticized on both methodological and conceptual grounds (Carman, 1990; Cronin and Taylor, 1992; Teas, 1993; Brown et al., 1993). Cronin and Taylor (1992) proposed that there is a lack of evidence supporting the expectation-performance gap as a predictive measure of service quality. They believe that assessing customer perception is enough for evaluating service quality and it is unnecessary to measure customer expectations in service quality research. They oppose evaluating service quality by calculating the difference between customer perceptions and customer expectations (P-E). Indeed, they define Service Quality as a customer Perception (of Performance only) without expectations.

Teas (1993) questioned the validity of perception-expectation gap with conceptual and operational problem in the definition of the expectation. While perception (P) is definable and measurable in a straightforward manner as the customer belief about service is experienced, expectation (E) is subject to multiple interpretation by different authors/researchers (e.g. Babakus and Inhofe, 1991; Dabholkar et al., 2000; Gronroose, 1990; Teas, 1993, 1994). They believe that expectation concept is doubtful and conceptualized owing to there are plenty definition for the term expectation in service quality literature where it is defined as "normative expectation with concern to organization constraints such as human resource or facilities and equipment's limitation or "ideal expectation without any concern to limitation and constraint, it means what the customer would expect from excellent service.

Initially, Parasuraman et al (1985, 1988) defined expectation as "desire or wants of customer"; what they feel a service provider should offer rather than would offer (Jain and Gupta, 2004). Brown et al. (1993) raised psychometric concerns regarding the use of difference score and felt that the gap model would display poor reliability, because expectation and perception could be positively correlated. They also suggested that if the statistical variance of performance score and expectation score are different, any tests of statistical significance would become more complex. The other criticizer claims

that SERVQUAL is not applicable to a wide variety of service contexts as the common tool for evaluating service quality (Carman, 1990). The above explanation provides a critical discussion of the traditional models, but it is not convincing and it seems that this model still needs to be further developed. In the following, other shortcomings in gaps models are addressed and a model is developed based on the discussion. Considering the critical discussion, more gaps are added to the previous models.

Although the elements listed in SERVQUAL model have been proven to be the main method for evaluating service quality from the consumer's perspective (Brown et al., 1993), drawbacks in using SERVQUAL in measuring service quality has been the reason that the SERVQUAL scale was proposed by Cronin & Taylor (1992, cited in Jain et al. (2004, p. 25-37) after they called into question the conceptual basis of the SERVQUAL, having found it, led to confusion with service satisfaction (Jain et al., 2004, p. 25-37). These researchers discarded the 'E' for 'expectation' claiming instead that 'P' for 'performance' alone should be used. They meant that higher perceived performance entails higher quality service. Unfortunately, during this past century, customers have changed their behaviors in ways that do not suit organizational behavior.

## **2.8 Conceptual Framework**

The general idea from the past literature is that there is a relationship between customer satisfaction and service quality; also that service quality could be evaluated with the use of five service quality dimensions and the most useable is the SERVQUAL scale. Thus, customers in this paper are those who consume the services, satisfaction denotes customers desire to maintain a business relationship with the organization and it is also the feelings of the customers towards the services provided to them by the organizations; while customer satisfaction in this study is the pleasures obtained by customers for the services provided to them by the employees of the organizations. It has been proven that "perceived service quality is a component of customer satisfaction" (Ziethaml et al. 2006, p.106-107).

Moreover, the SERVQUAL model has been proven to be the best model to measure service quality in service sectors especially with the customer perspective. This idea generates an assumption that the five dimensions of SERVQUAL model could have a direct relationship with customer satisfaction.

### Service quality Dimensions

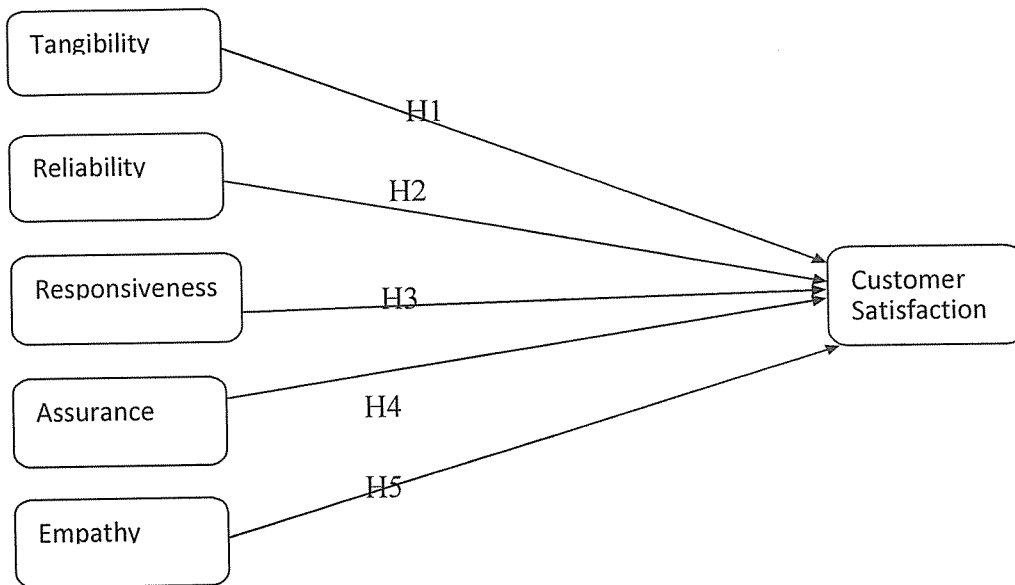


Figure1. Conceptual framework of the effect of customer service quality on customer Satisfaction

The difference between expectations and perceptions is called the gap which is the determinant of customers' perception of service quality. Following from the literature review done above, the relationship between service quality variables and customer satisfaction can be shown in the diagram above. Parasuramn et.al, (1988)



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the research design, population and sample size, the techniques used for Sampling and data collection, the various data collection instruments as well as the data analysis.

#### **3.2 Research Design**

The study adopted a descriptive correlation, ex post facto and a cross-sectional survey research design. The descriptive correlation design was used to establish the relationship between service quality and customer satisfaction in Vodafone Uganda. The expost facto design was used because respondents were asked things that have already happened. The cross-sectional design was employed because; a cross-section of managers and workers were selected to participate in the study all at once. It was a survey since many respondents were included in answering of questionnaires.

#### **3.3 Research Population**

The study population consisted of 120 respondents (employees, managers and customers) of Vodafone Uganda in Kampala and Entebbe.

#### **3.4 Sample Size**

The study sample consisted of 100 respondents (employees, managers and customers) Vodafone Uganda. This sample size was arrived at using Slovene's formula for calculating sample sizes, stated as follows;

$n = \frac{N}{1 + N(e)^2}$ ; Where n= the required sample size, N = target population and e = significance level, given by 0.05.

$$n = \frac{N}{1 + N (e)^2}$$

$$n = \frac{120}{1 + 120(0.05)^2}$$

$$n = \frac{120}{1 + 120(0.0025)}$$

$$n = 100 \text{ respondents}$$

### 3.5 Sampling Procedure

The respondents to the study will be selected using stratified sampling technique where the researcher will divide the entire population into different subgroups or strata, and then the researcher was randomly selected and the final subjects were proportionally selected from the different strata. Here a list of employees' and managers' names was obtained from the human resource department of Vodafone Uganda where by their names were put in rota and randomly selected to participate in the study.

### 3.6 Data collection methods

For the purpose of achievement of the objectives of the study, the researcher primary data will be used. Primary data will be collected using the questionnaire which will be distributed to the employees and customers of Vodafone. The Likert scale will be used which includes 4 categories of (strongly agree, agree, strongly disagree and disagree). The Likert scale was preferred in order to make interesting to respondents and therefore enhance their cooperation, ultimately to ensure maximum response rate'. Robsac C (2000).

### 3.7 Questionnaire

The questionnaire will be divided in three sections; section A: section B: service quality, section C: customer satisfaction. Customers will be asked the overall judgment of service quality and customer satisfaction based on the five-scale interval. Section A of the questionnaire will used to statistical purposes only. This section consists of demographic features of respondents such as gender, age, marital status and qualification. Section B will evaluate service quality in Vodafone by defining the gap

between the sections. The SERVQUAL instrument has been selected to measure service quality. Section C will evaluate customer satisfaction.

### **3.8 Method of data analysis**

SPSS software for version 20 was employed to analyze and present the data through the statistical tools used for this study.

#### **Descriptive analysis**

The descriptive statistical results will be presented by tables, frequency distributions and percentages to analyze the data. This will be achieved through summary statistics, which includes the mean values and percentages which were computed for each variable in this study.

#### **Pearson Correlation analysis**

In this study Pearson's correlation coefficient will be used to determine the relationships between service quality dimensions (Tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction.

#### **Multiple Regression Analysis**

Multiple regression analysis will be used to examine the effect of service quality dimensions (Tangibility, reliability, responsiveness, assurance, and empathy) on customer satisfaction.

#### **Regression functions**

The equation of multiple regression on this study was generally built around two sets of variable, namely dependent variables (customer satisfaction) and independent variables (Tangibility, reliability, responsiveness, assurance, and empathy). Parasuraman, A., Zeithaml, V. A. and Berry, L.L., (1985). The basic objective of using regression equation on this study was to market the researcher more effective at describing, understanding, predicting, and controlling the stated variables.

### **Regress customer satisfaction on the service quality**

$$Y_i = \alpha + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \beta X_5 + \Sigma_i$$

Where:  $Y_i$  is the dependent variable (customer satisfaction )  $X_i$  is the explanatory variable or the regressor (service quality)  $\alpha$  is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero.

$\beta$  refers to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in the independent variable.

### **3.9 Validity and Reliability of the Instrument**

#### **Validity of Instruments**

To test the content validity, the researcher will use a panel of two experienced researchers in the domain to assess their suitability and relevancy of the research objectives of the study and research questions. They will be asked to assess the validity of the questions in the questionnaire by ranking them from 1 to 4 against objectives of the study and the research questions. 1-representing strongly disagree, 2-Disagree, 3-Agree, and 4 for strongly agree. From there, a Content Validity Ratio (CVR) and Content Validity Index (CVI) were calculated. CVR was calculated by subtracting the total number of items judged to strongly disagree (1), and disagree (2) from the total number of items judged to strongly agree (4) and agree (3), thereby dividing them to a half of people asked to judge the questionnaire.

#### **Reliability of the research instruments**

Reliability refers to the consistency of a measure, a test is considered reliable if we get the same result repeatedly. In order to test the reliability of the questionnaire, the researcher conducted a preliminary testing of the questionnaire before constructing the final copies to be distributed in the field for actual data collection. The questionnaire

respondents and were given questions for testing which enabled the researcher to improve the questions.

### **3.10 Data Gathering Procedures**

#### **Before the administration of the questionnaires**

- 1) An introduction letter was obtained from the department of Economics and Statistics of Kampala International University for the researcher to ask for approval to conduct the study from respective respondents.
- 2) When approved, the researcher secured a list of the qualified respondents from the human resource department of Vodafone Uganda.
- 3) The names were put in a Rota and selected randomly using the simple random sampling technique.
- 4) The respondents were briefed about the study and will be requested to sign the Informed Consent Form.

#### **During the administration of the questionnaires**

- 1) The respondents were requested to answer completely and not to leave any part of the questionnaires unanswered.
- 2) The researcher and assistants were emphasized the retrieval of the questionnaires within five days from the date of distribution.
- 3) On retrieval, all returned questionnaires were checked if all were answered.

#### **After the administration of the questionnaires**

The data gathered was collected, encoded into the computer and statistically analyzed using epidata, STATA and MS Excel.

### **3.11 Ethical consideration**

The research process was guided by sound ethical principles which included the followings:-

Voluntarism: the research team ensured that respondents are not coerced or manipulated into participating in the study. Respondents were told the purpose of the study and their consent to participate in the study was sought.

Objectivity: The research team ensured objectivity when carrying out the research any attempt to bias results was considered unethical and was therefore avoided.

Confidentiality: The respondents were assured of confidentiality and anonymity. Their names were written anywhere in the report and the information given was only used for academic purposes.

Respect: The research team ensured respect for the respondents. Respect was encompassing respecting the opinion of the respondents including the opinion to terminate the interview whenever they felt uncomfortable to continue, questioning style especially for very personal and sensitive questions.

### **3.12 Limitations to the Study**

Extraneous variables could be beyond the researcher's control such as respondents' honesty, personal biases and uncontrolled setting of the study.

Testing: The use of research assistants brought about inconsistency in the administration of the questionnaires in terms of time of administration, understanding of the items in the questionnaires and explanations given to the respondents. To minimize this threat, the research assistants were oriented and briefed on the procedures to be done in data collection.

Attrition/Mortality: Not all questionnaires were returned completely answered nor even retrieved back due to circumstances on the part of the respondents such as travels sickness, hospitalization and refusal/withdrawal to participate. In anticipation to this, the researcher reserved more respondents by exceeding the minimum sample size. The respondents were reminded not to leave any item in the questionnaires unanswered and were closely followed up as to the date of retrieval.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.0 Introduction

This chapter of the research report presents contains the statistical results that were generated from the data analysis and presents the findings based on the study objectives. It gives the demographic characteristics of respondents and variables used. The results were generated so as to appropriately address the research objectives and questions. The findings are presented in line with the stated objectives.

#### 4.1 Response Rate

The researcher distributed 80 questionnaires but was able to retrieve 66 questionnaires that were correctly filled and answered. This gave a retrieval rate of 82.5%, according to Amin (2005), if the response rate is more than 70% it is enough to carry on and continue with data analysis. Table 4.1 continues to give a summary of response rates of each group of respondents.

**Table 4.1 Response rate**

Respondents	Distributed questionnaires	Retrieved questionnaires	Response rate (%)
Customers, employees	100	91	82.5

Source: primary data, 2017

#### 4.2 Demographic characteristics of the respondents

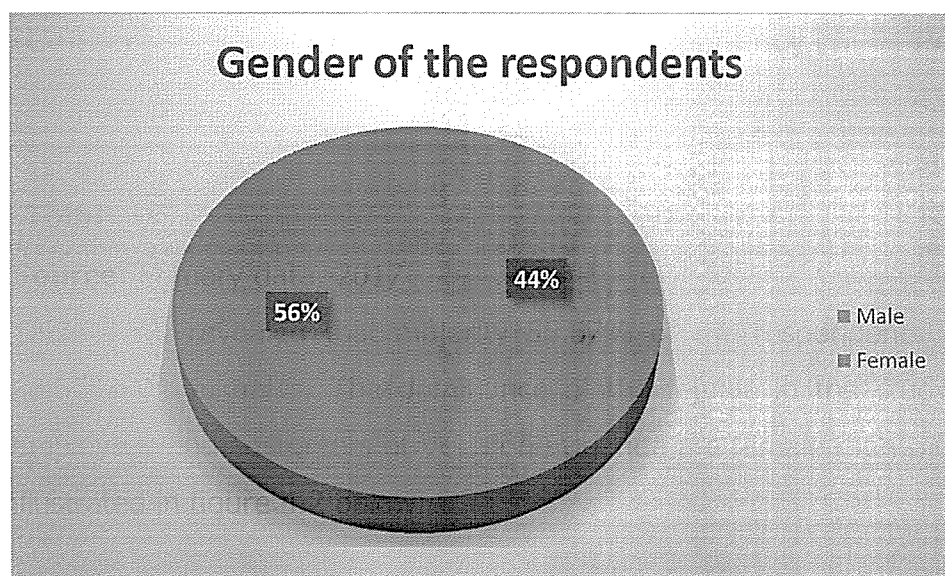
This section determines the demographic characteristics of respondents and to achieve it, questionnaires were distributed among the customers and employees of Vodafone to capture these responses. Frequencies and percentage distribution tables were employed to summarize the demographic characteristics of the respondents in terms of gender, age, education level and occupation. Tables below give the summary of the findings.

**Table 4.2 .1Gender of the respondents**

Gender	Frequency	Percentage
Male	40	43.96
Female	51	56.67
<b>Total</b>	<b>91</b>	<b>100%</b>

**Source:** Primary data, 2017

Table 4.2.1 revealed that majority 55.67% of the respondents were Females, while 43.96% Were males. The dominance of the female in the study implies that of the employees and customers of Vodafone Uganda are female than men, and this is further illustrated in figure 4.2 below;



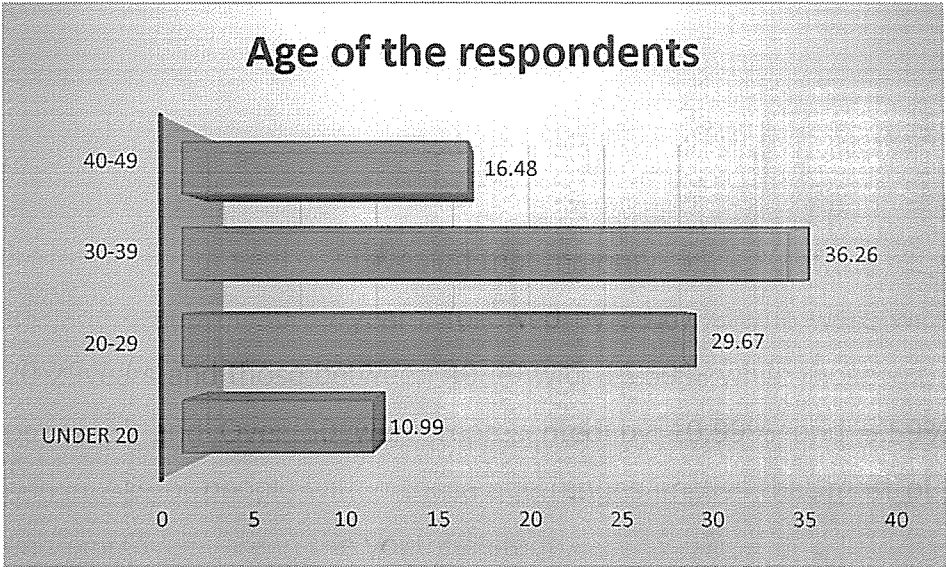
**Table 4.2.2Age of the respondents**

Age	Frequency	Percentage
Under 20	10	10.99
20-29	27	29.67
30-39	33	36.26
40-49	15	16.48
Over 50	6	6.59
<b>Total</b>	<b>91</b>	<b>100%</b>

**Source:** Primary data, 2017



Furthermore, table 4.2.2 revealed that majority, 36.26% of the respondents were within the age group of 30-39 years, followed by 29.67% who were within the age group of 20-29years and those between 40-49 with 16.59% while those within the age groups of below 20 and Over 50 were represented by 10.99% and 6.59% respectively. The dominance of people within these age ranges implies that most of Vodafone customers and employees are in the youthful stage.



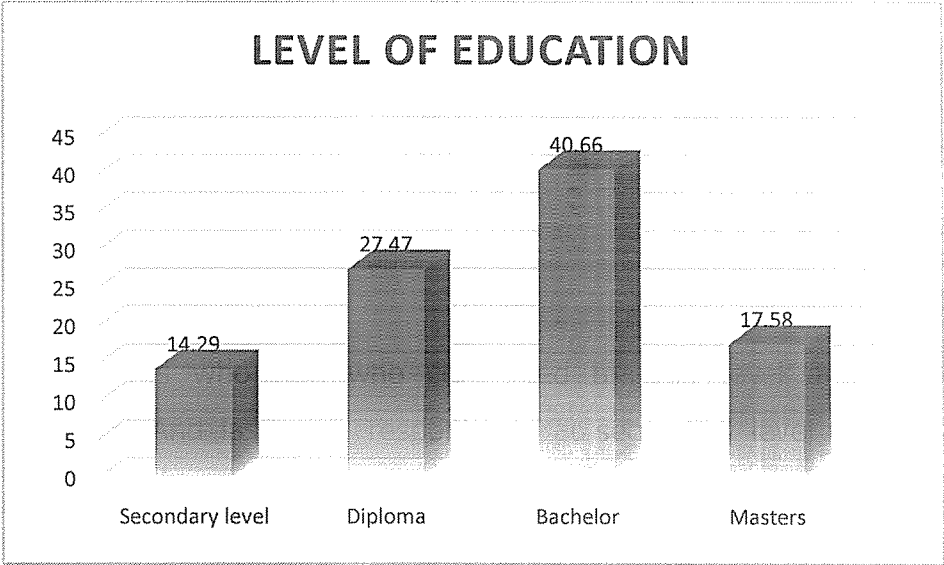
**Table 4.2.3***Level of education of the respondents*

Level of education	Frequency	Percentage
Secondary level	13	14.29
Diploma	25	27.47
Bachelor	37	40.66
Masters	16	17.58
<b>Total</b>	<b>91</b>	<b>100%</b>

**Source:** Primary data, 2017

The findings in table and figure 4.2.3 show that on the Level of education of the employees and customer, majority of people are bachelor with 40.66% followed by diploma holders at 27.47% response rate for both, followed by another group of

respondents who had who completed masters level and these were at 17.58% response. And lastly the respondents at secondary level were at 14.29%. Therefore these statistics show that most of the employees and customers of Vodafone are educated and qualified.

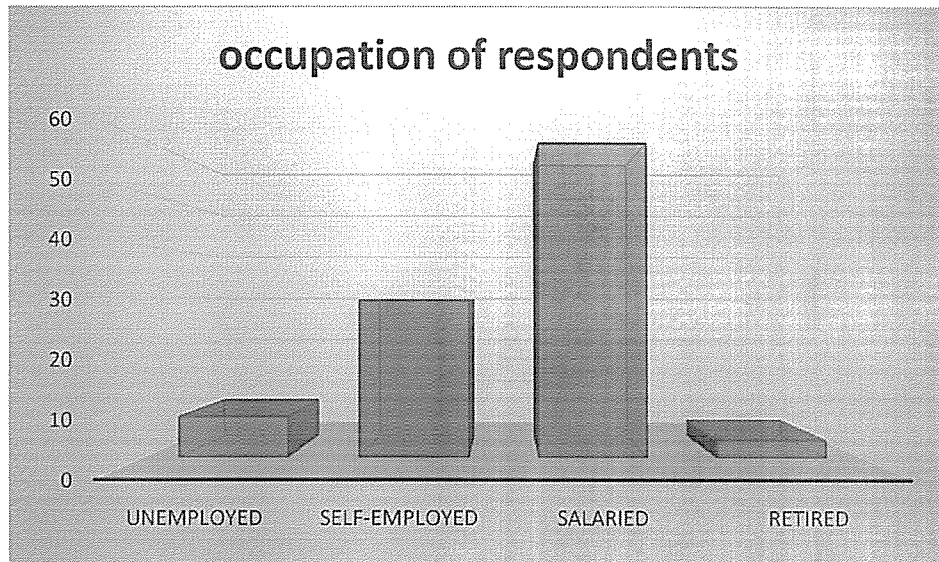


**Table 4.2.4***occupation of the respondents*

Occupation	Frequency	Percentage
Unemployed	7	7.69
Self-employed	27	29.67
Salaried	54	59.34
Retired	3	3.29
Total	91	100%

**Source:** Primary data, 2017

Table 4.2.4 revealed that majority, 59.34%of the respondents were salary earners, followed by 29.67% who were Self-employed, and while 7.69 of respondents were unemployed and the least responses went to respondents who were retired with 3.29%. This implies that most of the Vodafone Customers are salary earners and therefore they receive a monthly pay which they use to pay for the Vodafone services for example internet as illustrated in figure below;



#### 4.3 Level of service quality

**Table 4.3.1 Level of service quality**

Service quality			
	Mean	SD	Interpretation
Tangibles	2.43	0.93	Unsatisfactory
Reliability	2.39	0.93	Unsatisfactory
Responsiveness	2.36	0.93	Unsatisfactory
Assurance	2.39	0.95	Unsatisfactory
Empathy	2.55	0.96	Satisfactory

	Mean range	Response mode	Interpretation
4	3.26-4.00	Strongly agree	Very satisfactory
3	2.51-3.25	Agree	Satisfactory
2	1.76-2.50	Disagree	Unsatisfactory
1	1.00-1.75	Strongly disagree	Very unsatisfactory

Results in **table 4.3.1** indicated that the extent of service quality is generally rated unsatisfactory and hence does not satisfy the needs and expectation of customers at all this was indicated by the overall mean of **2.42**, implying that Vodafone Uganda level of service quality does not fully satisfy customers and does not meet their expectations.

**Tangibles.** Tangible dimensions include the physical facilities, equipment's, personnel and communication material and if the personnel appear neat. From **table 4.3.1** Customers and employees of Vodafone showed their perception on this dimension at a mean and standard deviation of **2.43, 0.93** respectively which indicates unsatisfactory state. That means that the customers do not think that Vodafone fulfills their expectations about physical appearance, modern looking equipment, the appearance of the employees

**Reliability.** Reliability is connected to the consistency of performance and dependability, **Grönroos (1983)**. This dimension includes keeping promises, showing a sincere interest in solving problem, give right service the first time, providing the service at the time the company promise to do so and trying to keep an error free record. Customers of Vodafone show an overall expectation of reliability at mean **2.39** and Standard deviation at **0.95**. This means that the respondents are unsatisfied by the reliability of Vodafone as a company.

**Responsiveness.** According to Gronroos (1983), this factor concerns to the extent that employees are prepared to provide services. This involves factors such as mailing company documents immediately, calling customers back in short time and giving prompt service. This dimension touches subjects like giving information about the service, giving prompt service employees willingness to help customers and that the employees are never too busy to respond to requests of customers. Customers give their overall rating in this dimension with mean of **2.36** and standard deviation **0.96**. This shows that the customers are not at all satisfied by the quality described in this dimension.

**Assurance.** According to Zeithaml, Berry and Parasuraman (1990) assurance is about competence, courtesy, credibility and security. Gronroos (1983) describes those factors separately; courtesy is about politeness, respect, consideration, friendliness of contact personnel (including receptionists, telephone operators, and customer officers and so on). Competence is connected to the knowledge and skills of contact personnel, operational support personnel (and also research capacity) that are needed for delivering the service. Credibility involves factors such as trustworthiness, believability and honesty.

It means to the level the company has the customers' best interest at heart. This dimension can also be connected to the functional quality (Gronroos, 2007). This dimension is about the behavior and ability of the employees to instill confidence, secure transactions, courtesy of the employees and the knowledge of the employees to answer the questions of the customers. As we can see from *table 4.3.1* respondents revealed assurance to be unsatisfactory at mean **2.39** and standard deviation **0.95**.

**Empathy.** This is mainly about easy access, good communication and understanding the customer. According to Gronroos (1983), easy access is connected to the approachability which means for example if the operating hours are convenient, the location of the facilities are convenient, the waiting times are short and also easy access by the telephone. Good communication is about keeping the customer informed in a language they can understand and also listen to the customer. Understanding the customer is about making an effort to understand the customer which involves learning about specific requirements, providing individualized attention and recognizing also regular customer.

*Table 4.3.1* reveals that respondents give their overall rating at mean **2.55** and standard deviation **0.96**. This indicates that this dimension is satisfactory.

#### 4.4 Level of customer satisfaction

**Table 4.4.1 Level of customer satisfaction**

Customer satisfaction			
	Mean	SD	Interpretation
Price fairness	2.41	0.99	Unsatisfactory
Customers' feedback	2.35	0.92	Unsatisfactory
Customers' knowledge	2.45	0.99	Unsatisfactory
Customer loyalty	2.44	0.98	Unsatisfactory

Results in *table 4.4.1* indicated that the extent of customer satisfaction is generally rated unsatisfactory and hence does not satisfy the needs and expectation of customers at all this was indicated by the overall mean of **2.41**, implying that Vodafone Uganda always provide services which don't meet customers' expectations which in turn leads to low levels of company loyalty and product repurchase.

**Price fairness-** With respect to price fairness, four items were used and the customers were asked whether they agree with the statements. The responses indicated that price fairness was rated unsatisfactory on average mean (= **2.41**) and standard deviation **0.99**. This means that Vodafone customers do not think that the prices they pay for the products and services are fair enough and are justifiable.

**Customers' feedback-** four items were used to measure this variable and respondents were asked whether they agreed with the statements. Responses indicated that customers' feedback was rated unsatisfactory on average (mean=**2.43**) and standard deviation **0.92**, implying that Vodafone rarely respond to clients' problems, suggestions and complaints as early as possible.

**Customers' knowledge.** With respect to customers' knowledge; results in table 2 indicated that four items were used to measure this construct and it was also rated unsatisfactory on average and this was indicated by the average mean of **2.45** and standard deviation of **0.99**, hence indicating that Vodafone Uganda always don't use customers' ideas to develop a new market.

**Customers loyalty;** results in table two indicated that customers loyalty as the third construct on the independent variable was measured using four items (questions) and it was rated unsatisfactory on average (mean=1.95), implying that Unilever ltd always don't provide a direction to the customers as in where they can access services depending on location.

#### 4.5 Test for normality

Shapiro-Wilk W test for normal data

Variable	Obs	W	V	z	Prob>z
IV	91	0.82188	13.597	5.760	0.00000
DV	91	0.79927	15.323	6.023	0.00000

Using the Shapiro-walk test, the variables are normally distributed since 0.82188 for customer satisfaction and 0.0.79927 for service quality are greater than 0.5.

## 4.6 Multiple regression analysis

. reg Y X1 X2 X3 X4 X5

Source	SS	df	MS	Number of obs =	91
Model	846.66498	5	169.332996	F( 5, 85) =	15.90
Residual	905.291064	85	10.6504831	Prob > F =	0.0000
				R-squared =	0.4833
				Adj R-squared =	0.4529
Total	1751.95604	90	19.4661783	Root MSE =	3.2635

Y	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
X1	.5392591	.2142969	2.52	0.014	.1131793 .9653388
X2	.6807848	.1891753	3.60	0.001	.3046537 1.056916
X3	.4083189	.1934519	2.11	0.038	.0236848 .7929531
X4	.4665498	.2044371	2.28	0.025	.0600741 .8730255
X5	.240192	.1546891	1.55	0.124	-.0673713 .5477554
_cons	11.93239	2.978385	4.01	0.000	6.010563 17.85422

Source: Own source 2017

$$Y = 11.53925 + 0.57302X_1 + 0.68087X_2 + 0.40831X_3 + 0.46655X_4 + 0.24019X_5 + \Sigma_i$$

Where Y is the dependent variable that is customer satisfaction and  $X_1$ ,  $X_2$ ,  $X_3$ ,  $X_4$ ,  $X_5$  are the independent variables which are the five dimensions of service quality. From the model above before considering service quality ( $X_1$ ,  $X_2$ ,  $X_3$ ,  $X_4$ ,  $X_5$  other variables lead to a 11.53925 change in customer satisfaction

A unit change in  $X_1$  (Tangibles),  $X_2$  (reliability),  $X_3$  (responsiveness),  $X_4$  (assurance),  $X_5$  (empathy) lead to a 0.57302, 0.68087, 0.40831, 0.46655, 0.24019 change in Y (customer satisfaction) respectively R-Squared = 0.4833, means that variations in service quality (tangibility, responsiveness, assurance, empathy and reliability) explains variations in customer satisfaction by 48.33% and the other unexplored variables account for 51.67%. Adj R-Squared = 0.4529 means that variations in the service quality fully and completely explains the variations in customer satisfaction by 45.29%



## 4.6 Testing hypothesis

### Hypothesis 1

$H_0$ : There is a significant relationship between tangibles and overall customer satisfaction

$H_A$ : There is no significant relationship between tangibles and customer satisfaction

The criterion is if  $P \text{ value} < 0.05$ , then there is a significant relationship between the variables. The results of multiple regression as shown in the table above, the  $p$  value is (0.014), which is less than 0.05. Therefore we accept  $H_0$  that there is a significant relationship between tangibles and customer satisfaction.

### Hypothesis 2

$H_0$ : There is a significant relationship between reliability and overall customer satisfaction

$H_A$ : There is no significant relationship between reliability and customer satisfaction

The results from the multiple regression table above show that  $p$  value is (0.001) which is less than 0.05. Therefore we accept  $H_0$  that there is a significant relationship between reliability and customer satisfaction

### Hypothesis 3

$H_0$ : There is a significant relationship between responsiveness and customer satisfaction

$H_A$ : There is no significant relationship between responsiveness and customer satisfaction

The results from the table above show that the  $p$  value is (0.038) which is less than 0.05. Therefore we accept  $H_0$  and that there is a statistical significant relationship between responsiveness and customer satisfaction

### Hypothesis 4

$H_0$ : There is a significant relationship between assurance and customer satisfaction

$H_A$ : There is no significant relationship between assurance and customer satisfaction

The multiple regression table further shows that, the assurance has a significant relationship with customer satisfaction. This is because the p value (0.025) is less than 0.05 hence we accept  $H_0$  that there is a significant relationship.

### **Hypothesis 5**

$H_0$ : There is a significant relationship between empathy and overall customer satisfaction

$H_A$ : There is no significant relationship between empathy and customer satisfaction

Furthermore the table above indicates that the p value is (0.125) which is greater than 0.05, therefore we reject  $H_0$  and accept  $H_A$  that there is no significant relationship between empathy and customer satisfaction

Over all, from the findings of the findings of this study, the researcher found out that all the service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) had positive effects on customer satisfaction. The findings of this study also indicated that assurance was the most important factor to have positive and significant effect on customer satisfaction, followed by reliability, responsiveness, empathy and tangibles.

### **4.7 Pearson correlation Analysis**

To determine the relationship between service quality and customer satisfaction, in the table below represents the results from the Pearson correlation test showing the relationship between service quality and customer satisfaction.

		Customer satisfaction
Tangibility	Pearson correlation	.451
	Sing. ( 2-tailed)	.000
	N	141
Reliability	Pearson correlation	.528
	Sing. ( 2-tailed)	.000
	N	141
Responsiveness	Pearson correlation	.534
	Sing. ( 2-tailed)	.000
	N	141
Assurance	Pearson correlation	.574
	Sing. ( 2-tailed)	.000
	N	141
Empathy	Pearson correlation	.530
	Sing. ( 2-tailed)	.000
	N	141

*Source: own survey 2017*

Correlation is significant at the .01 level (2- tailed)

The results from the table above indicate that there is a positive moderate relationship between tangibility and customer satisfaction ( $r= 0.451$ ), reliability and customer satisfaction ( $r=0.528$ ), responsiveness and customer satisfaction ( $r=0.534$ ), assurance and customer satisfaction ( $r=0.574$ ), empathy and customer satisfaction ( $r=0.530$ )

## **CHAPTER FIVE**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presented the findings, conclusions, recommendations and suggested areas that need further research following the study objectives and study hypothesis.

#### **5.2 Conclusions**

The study was conducted to examine the effect of service quality on customer satisfaction in Vodafone Uganda. From the findings of the study, the researcher concluded that the majority of the respondents in this sample were females (54.55%) ranging between 30-39 years, diploma and bachelor holders tied at 30.3% and 51.52% being salaried.

A study was conducted using the SERVEQUAL model questionnaire for collecting data from customers. Accordingly, a five dimensional instrument comprising of tangibles, reliability, responsiveness, assurance and empathy has been used for the study. The study indicated that among the various service quality dimensions in Vodafone Uganda, Empathy was the most important determinant of service quality followed by Tangible, Assurance, Reliability and Responsiveness. The extent of service quality was rated unsatisfactory on overall mean =2.42 hence concluding that the level of service quality in Vodafone is not at the level the customers want.

The level of customer satisfaction was rated on an average (mean=2.41), hence leading to a conclusion that Vodafone Uganda always provide services which do not meet customers' expectations and which in turn lead to low levels of company loyalty and product repurchase. There is a positive and significant relationship between the level of service quality and customer satisfaction in Vodafone Uganda ( $r=0.5005$  and  $\text{sig}=0.05$  respectively), hence concluding that an increase in service quality increases the level of customer satisfaction in Vodafone Uganda and a low levels of service quality reduce the level of customer satisfaction.

### **5.3 Recommendations**

Based on the findings of this study, Vodafone Uganda should work on responsiveness by giving trainings to employees to improve their ability to give prompt service, and willingness of the employees to help customers.

Vodafone should also improve the assurance dimension by training its employees to make them competent enough to deliver the service and the company should have the customers' best interest at heart and also reliability should be improved by giving training to employees to make them solve customer problems and provide the services at the time it is promised to do so

Vodafone Uganda's Overall customer satisfaction is at average mean=2.41 and 60.3%, which is fairly above 50% average. So the company should give high emphasis on improving customer satisfaction which will incorporate with the 5 dimensions.

From the management perspective, the study provides information on service quality dimensions and their relative importance to Vodafone Uganda. This information can be used by Vodafone and other service providers as well for adding value to their relationship with the current and prospective policy holders.

### **5.4 Limitations of the study**

The study was conducted on Vodafone Uganda by taking a sample of the Vodafone Employees and customers in Kampala and Entebbe which are the main Vodafone coverage areas. Since some of the area like Mukono was not included, this limits the generalizability of the study.

### **5.5 Direction for further research**

For further research I suggest that the researcher could do interviews to find out more details. During the interviews it is possible to explain the questions.

Further research should also be made on the following areas;

- i. Service Quality and Customer Loyalty
- ii. Price Level and Customer satisfaction

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## APPENDIX I: QUESTIONNAIRE

### Dear respondents,

I am called Kezabu Trevaline a student at Kampala International University pursuing a Bachelor Degree in Economics and Applied statistics. I am undertaking a research on the 'Effect of service quality on customer satisfaction at Vodafone Uganda'. The purpose of this questionnaire is to collect primary data for conducting the study on the above topic for the fulfillment of my Bachelor's degree. I kindly request you to provide me with reliable information. The data collected will be very confidential and will only be used for the analysis and not any other purpose.

Thank you in advance.

### SECTION A: DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

#### Gender (Please Tick)

\_\_\_\_\_ (1) Male      \_\_\_\_\_ (2) Female

#### Age (Please Tick)

Below 20	
20 - 29	
30 - 39	
40 - 49	
50 Above	

#### Qualifications Under Education Discipline (Please Tick):

Certificate	
Diploma	
Bachelors	
Masters	
Ph. D	
Others (Specify)	

### Occupation

Unemployed	
Self-employed	
Salaried	
Retired	

### SECTION B: questionnaire to determine the level of service quality

Direction: please tick your rating on the space under each column which corresponds to your best choice.

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Service quality		Rating			
No		4	3	2	1
	<b>Tangibles</b>				
1	Vodafone Uganda has visually appealing physical facilities				
2	The location to Vodafone shops is convenient				
3	Vodafone uses modern and appropriate equipment and technology				
4	The employees in Vodafone shops are well dressed and neat in appearance				
	<b>Reliability</b>				
5	Vodafone Uganda provide indemnity without hassle				
6	Vodafone Uganda is financially stable				
7	The Vodafone staff show sincere interest in solving customers'				

	concern				
8	Vodafone transacts products and services of the highest quality				
9	When Vodafone staff promise to do something by a certain time, they do so.				
	<b>Responsiveness</b>				
10	Vodafone employees are happy and willing to serve the customers				
11	Vodafone staff tell customers exactly when services will be provided				
12	Vodafone management are accessible, listen to and provide prompt and honest responses to customers inquiries				
13	Vodafone staff are always willing to help				
	<b>Assurance</b>				
14	Vodafone employees have the required skills in providing services				
15	Vodafone employees have sufficient knowledge of service information				
16	Vodafone employees are consistently courteous with customers				
17	Vodafone employees make customers feel safe in their transactions.				
	<b>Empathy</b>				
18	Vodafone Uganda has customers' best interest at heart				
19	Vodafone uses reliable, knowledgeable and efficient distribution outlets, agents, and other intermediaries				
20	Vodafone employees give customers individual attention				
21	Vodafone staff demonstrate integrity and trustworthiness in dealing with customers				
22	Vodafone employees are committed to ethics and promote ethical behavior in the workplace				

### SECTION C: questionnaire to determine the level of customer satisfaction

Direction: please tick your rating on the space under each column which corresponds to your best choice.

Rate	Response mode	Description	Interpretation
4	Strongly agree	You agree with no doubt at all	Very satisfactory
3	Agree	You agree with some doubt	Satisfactory
2	Disagree	You disagree with some doubt	Fair
1	Strongly disagree	You disagree with no doubt	Poor

Customer satisfaction		Rating			
No		4	3	2	1
	<b>Price fairness</b>				
1	Vodafone charges fair prices for the products and services				
2	The price am paying is unquestionable				
3	The price am paying for Vodafone services is justified				
4	The price am paying is competitive				
	<b>Customers' feed back</b>				
5	Vodafone actively responds to customers' enquiries of our services.				
6	Vodafone uses phone calls, e-mails, and personnel visits to communicate with customers.				
7	Vodafone without delay responds to clients' problems, suggestions, and complaints.				
	<b>Customers' knowledge</b>				
8	Vodafone actively solves the problem of customers' ignorance regarding services.				
9	The practice of flexibility always depends on customers' knowledge and requirements Vodafone				

10	They are able to use customers' ideas to develop a new market.				
11	Vodafone has different means of teaching customers about new products services.				
	<b>Customer loyalty</b>				
12	Vodafone always provides reliable information to the customers				
13	You are extremely satisfied by the staff about new innovations and creativity made in Vodafone so that you are served better.				
14	Vodafone can be a point of reference according to the services provided				
15	Vodafone provides a direction to the customers as in way that they can access services depending on location.				