

# **KAMPALA INTERNATIONAL UNIVERSITY**

## **BACHELOR OF BUSINESS ADMINISTRATION**

### **THE EFFECT OF CUSTOMER SERVICE ON CUSTOMER SATISFACTION**

**CASE : MTN UGANDA**

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## DECLARATION

I, **ERINAH MUDONDO** do hereby declare that this report is my original work and has never been presented for any award to any institution before. Where work of others has been cited, due acknowledgement has been given.

Signature ..... 

Date..... 22/7/06

**ERINAH MUDONDO**

## APPROVAL

This is to certify that, this dissertation entitled "the effect of customer service on customer satisfaction, submitted in partial fulfillment of the degree of Bachelor of Business Administration of Kampala International University, by Erinah Mudondo, was under my supervision and guidance and is now ready to be submitted to the School of Business and Management with approval.

Signature.....

Date.....

**Mr. MUSANA MICHAEL**

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## DEDICATION

I dedicate this book to my beloved children Lilian Nakasinga, Ruth, Kwagala, Rodha Kisakye, Jonathan Kuttessa and Jamimah Mulungi.

## **ABSTRACT**

The design of this project aims at establishing the effect of customer service and customer satisfaction in MTN Uganda. The literature review focuses on how customer service could affect customer satisfaction.

The Researcher employed descriptive cross sectional and analytical research where observation interview and questionnaire guides were used.

The respondents under study were MTN customers, it involved a collection of primary and secondary data, percentages and tables were used in data presentation and analysis.

The study reveals that 38% of MTN customers were male and 62% were female.

The subject majority was in the age bracket of 25-45 years who approximately constitute 70% of the total respondents. The business sector of the population contributes the greatest percentage of 65% and the other sectors were 35%.

The findings show that 58% of the customers have spent more than four years dealing with the company continually.

About the satisfaction, the study revealed that 88% of the customers are satisfied with MTN customer service programs. The researcher also found out that customer services highly influence customer satisfaction in MTN Uganda.



## LIST OF ABBREVIATIONS

1. ACA ACCOUNTANT CONSULTANT AGENCY
2. MTN MOBILE TELEPHONE NETWORK
3. NGM RESEARCH CENTRE FOR CUSTOMER PROFFESIONAL
4. IDA INTERNATIONAL DEVELOPMENT AUTHORITY

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# CHAPTER ONE

## 1.0 INTRODUCTION

The study was about ascertaining the effect of customer service on the satisfaction of customers. The researcher picked interest in this topic because companies of the present world aim at satisfying the customer as a way of maximizing their sales which leads to increased profitability. The major objectives of companies today is to make their customers satisfied and then look for ways of retaining them.

This therefore requires trained staff who can exercise their courteous abilities to capture customers and to retain them. This retention procedure can be that of giving the customers special smart cards and parking space special for the potential and consistent customers.

Another approach is the one of gift offering to esteemed customers towards the end of every year. Practicing social responsibility is another approach to make the organization's existence to be felt by the society. An organization can undertake to sponsor games and sports, it can decide to sponsor student at different levels of education and sponsor beauty contests among others.

MTN has also provided jobs to the people in Uganda and it is paying them well. They rent areas for their network systems and pay fairly for those areas which has enabled society develop. All these and many others have probably led to MTN getting fame and capturing the largest market share in the mobile telecommunication market in Uganda.

## 1.1 BACKGROUND TO THE STUDY

Customer service is the ability of an organization or company to constantly give the customer what they want or need. According to ACA group, new hall (2002) Customer Service involves personal interactions between the service provider and the customer during the course of service delivery. This interaction enables the service provider to identify the needs and wants of the customers and also to implement the advice given to them by customers.

MTN came into existence and found a monopolistic market of mobile telecommunication in Uganda. It established the weaknesses of the current competitor and found out that to capture a large the market share the it had to exercise the above activities and yet the quality of these activities is measured by attributes such as the responsiveness, the patience and the friendliness when taking the order. This helps and gives the customer a soft ground to land when transacting and if good, it gives customers a "come again" attitude for the services/products.

These attributes are characterized by people not processes. Through careful design, procedures can be developed to deliver a reliable level of performance and desirable satisfaction of customers in an entity.

MTN's key component is customer service as a result; MTN Uganda has the biggest customer service center in Uganda. It offers the biggest language preference base and extended hours of operation.

The company has created customer service points at the MTN outlet at Shoprite, at the General Post Office, Kampala and in Jinja, which provides services like Simpacks, Airtime cards and Pay as You Go cards to customers to ensure that customers are satisfied.



MTN provides various services to customers for instance the customer who is not aware of services like loading a Pay As You Go Card, just calls – Customer help line which is 123 and her/his problem is solved. In this way, the customer's needs are solved efficiently and accurately by the service provider hence satisfying customer's needs.

The increased number of customer from 210,000 in the first eight years to more than 1,000,000 i.e. from 1998 – 2006 is impressive. This is further an addition to the rapid acceptance of their services in over 110 towns in Uganda. Further MTN outlets have increased from 210 to about 600 according to (Company arrival report 2002). This preference has therefore attracted the attention of the researcher.

## **1.2 STATEMENT OF THE PROBLEM**

The customers of MTN seem to be satisfied with the company offers. However, it is not clear whether the customer service programs adapted by MTN are responsible for this customer satisfaction. More emphasis should be put on the problem and its impact. The way in which customers are served determines the customer's satisfaction or dissatisfaction.

When the services provided to a particular customer meet his/her expectations then, that customer will get satisfied and if it doesn't then she/he will be dissatisfied; this then determines whether the customer who is satisfied will continue consuming the product/services or drop the services and look for alternative service/product in case of a dissatisfied customer.

The impact of customer service on customer satisfaction is crucial to examine, analyze and balance off.

### **1.3 PURPOSE OF THE STUDY.**

The purpose of the study was to establish the impact of customer service on customer satisfaction in MTN Uganda.

### **1.4 OBJECTIVE OF THE STUDY.**

1. To get known the relationship between customer service and customer satisfaction.
2. To establish the effectiveness of customer service in MTN.
3. To identify the various customer services offered by MTN.

### **1.5 RESEARCH QUESTIONS.**

1. What is the interaction between customer services and customer satisfaction?
2. Are the MTN customer service packages effective?
3. What are MTN's various customer services offered?

### **1.6 SCOPE OF THE STUDY.**

- **Geographical Scope**

The study was carried out in Kampala in Central region of Uganda and focused on customers of M.T.N Uganda.



- **Subject Scope.**

The study was about the impact of customer service on customer satisfaction in MTN Uganda. The study covers the period from 1998 – 2006.

## **1.7 SIGNIFICANCE OF THE STUDY.**

The study was to create awareness to MTN management to evaluate their performance so as to improve their customer service satisfaction.

The study was to create awareness to customers of the different services provided.

The study was to act as a precedent to other people who intend to carry out research in future.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

This chapter contains the existing literature on customer service and customer satisfaction as independent and dependent variables respectively. The data was obtained from journals, textbooks, face to face interviews, questionnaires among others.

#### **2.1 REVIEW OF RELEVANT LITERATURE**

#### **2.2 THE CUSTOMER**

According to Mahatma Gandhi (1989), a customer is the most important visitor in our premises, we are dependent on him, and he is not dependent on us; He is not an interruption, he is the purpose of it, he is not an outsider on our business, he is part of it, he is not favored by our services to him, he is favoring us by giving us an opportunity to do so.

- **A service**

According to Kotler (1995), a service is a performance that one party may offer to another party which is intangible and does result in the ownership of it (anything). On the other hand, Cowell (1984) defined services as those activities that provide want satisfaction and are not forcefully imposed to the sale of a product or another service.

- **Satisfaction.**

According to Kotler (1995), satisfaction is the person's feeling of pleasure resulting from comparing a product's performance on outcome in relation to his or her expectations. If the performance falls short of his or her expectations, the customer is dissatisfied.

If the performance matches the expectations, the customer is satisfied. And if the performance exceeds the expectation, the customer is highly satisfied.

## **2.3 CUSTOMER SERVICE.**

Omagor (1995) defined customer service as that act which involves performing many things a customer considers important in the physical distribution function.

In this particular study, it can be said that customer care service in MTN calls, to providing value to customers, easy accessibility of telecommunication services offered, high responsiveness and enhancing reliability which is offered by MTN. Consistence and commitment on this will convince the customers to continuously purchase the services.

## **2.4 COMPONENTS OF CUSTOMER SERVICE.**

The seven basic components of customer service are as follows:

- i. Positive first impression is important since it sets up perception of the entire agency (organization).
- ii. Courteous and helpful staff. This attracts and helps in retaining customers so as it has to be observed by MTN.

- iii Timely solutions to complaints. This is also a key factor. The quicker you solve problems the more reliable you become to your customers.
- iii. Increased convenience. The centers for purchases and services should be brought near to people such that customers find MTN convenient in terms of where to buy what.
- iv. Attention to details. Patience in the operations staff is very essential. Customers should be attended to with patience in order to retain them.
- v. Foster relationship. It is important to relate well with other companies in the same marketing environment so as to be able to adjust according to the changes in the environment.

## 2.5 MEASURING CUSTOMER SERVICE

Customer service is measured by attributes such as responsiveness, patience when taking the order and friendliness by Ramaswamy (1960). The quantity of those attributes is judged by the efficiency and accuracy of the service provided while satisfying the need.

Customer's satisfaction is as a result of customer service which is determined by how seriously the complaints are taken and the manner in which solution the problem is conveyed and solved.

According to Parasuraman et al (1988), he sought the measure of customer service as the difference between customers' expectations and perceptions.



## 2.6 CUSTOMER SATISFACTION.

The phenomenal growth of the service led to the development of alternative theoretical schools of thoughts regarding the definition and measurement of customer satisfaction domains.

No company can service for long without satisfied customers. Successful organizations are therefore those that are able to win and retain customers. Those are organizations that continuously create and keep customers by giving products or services that give value to the customers" (Kotler 1995).

Customer satisfaction is therefore taken as one of the vital factors in business or organizational success. Understanding customers and keeping them satisfied has become increasingly important due to price sensitivity and more competitive environments. The challenge is to create for customers a few selected issues and to find out what their interests falls for.

## 2.7 COMPONENTS OF CUSTOMER SATISFACTION.

Gerson (1994) identified three major components of customer satisfaction namely: service, strategy, the people and the system.

- **The researcher's Observations on performance: That Research Creates Customer Satisfaction:-**

Performance indicators must be meaningful to the consumers so that they may make informed choices and be aware of their rights. It must describe the attributes of the market accurately for the regulators to act on the indicators and set bench marks to protect the consumers as well to manage for the common good of all stake holders.

The traditional performance indicators and approaches in managing performance and hence satisfaction may need to be reviewed or revised in the light of convergence and rapid technological changes for a more accurate picture of the industry and its appropriateness to reflect the social – economical and demographic profile of a country.

Convergence has blurred the traditional indicators which we have been used to. New applications services that have emerged out of convergence is complex to handle due to continuous evolution and innovation taking place a light handed regulatory approach may be the way forward in this environment.

Moving to technological neutral performance indicators may also provide a way forward to handle rapid technology changes.

Consumer centered approaches in quality of services issued such as; availability of consumer protection, mechanisms, consumer education and awareness, consumer service guarantees and consumer satisfaction study or surveys may provide a way to manage the complex converged services environment.

- **Improving Quality of Service to Increase Satisfaction.**

With the growth of the telecommunications service brought about by the liberalizing and restructuring the market, subscribers were concerned about the quality. Their main concerns were on service acquisition, network efficiency, billing, fault handling and overall services level supplied by the operators.

Therefore, the telecommunication regulatory body of Srilanka had to pay attention to keep the quality of the telecommunications services at a standard level.



As an initial step, recognizing the importance of the public consultation in regulatory decision making the commission handled a survey to identify the existing situation of the quality of the fixed services.

Fixed operators are expected to submit their performance on monthly basis for the review of the commission and for the other operators; they shall comply with the quality of service standards as specified by the authority.

### **SURVEY ON CONSUMER AWARENESS AND SATISFACTION OF MOBILE TELEPHONE NETWORK SERVICES 2003.**

This survey was conducted by the MTN Development Authority of South Africa. (IDA) also surveyed consumer awareness of some basic consumer rights on MTN services. The survey was conducted as part of International Development Authority's efforts to understand consumer's views of the liberalized MTN market.

Research was commissioned by International Development Authority in December 2002 to conduct the survey.

The survey covered 1,500 South African citizens and permanent residents aged 18 and above and was conducted from January to March 2003. The sample was randomized using house holds selected via a house hold sampling. Data obtained was weighed to ensure that it was representative of the Singapore Population.

#### **Survey Highlights.**

The survey revealed that consumers have reaped benefits since South Africa's MTN liberalization. With many players offering a wide range of innovative services for customers in the areas of international call.

The survey also revealed that consumers have become more savvy users and are aware of some basic consumer rights for MTN services.

### **Opcite**

## **1. International Call Services**

### **Variety and Quality**

Overall, 75% of the respondents felt that the variety of International Call Services in the market today is good. Respondents were also satisfied with the quality of International Call Services, including quality aspects such as service availability (90% satisfied), voice quality (88% satisfied). In total 90% of the respondents indicated they were satisfied with the overall service quality for International Call Services.

### **Billing Attributes:**

Customers were also generally satisfied with International Call Service billing attributes such as timeliness of bills (80% satisfied); accuracy of amount charged (66% satisfied) and advanced disclosure of charging rates (65% satisfied). In total 59% of respondents were also satisfied with pricing of International Call Services.

## **2. Awareness of Consumer Rights.**

In a liberalized MTN market, consumers have become more savvy users and are aware of basic consumer rights for MTN services, as evidence by the following survey findings:-

64% of respondents were aware that MTN services providers have an obligation to disclose, in advance the terms governing the provision of the telecom services.

85% of the respondents were aware that they should immediately inform their mobile service provider to suspend their service if they lose their mobile phones and 73% of respondents were aware that MTN service providers have an obligation to provide regular, accurate and timely bills to consumers.

### **The Service Strategy**

Service strategy is the decision about a service that will provide it with a unique identity vis-à-vis competition. It also refers to creating shared values throughout the company, a uniting factor for management and service priorities for the staff members. To foster a customer satisfaction orientation, a service strategy should be customer centered enabling the business meet the needs, expectations and motivations of target markets.

### **Strategies for Consumer Satisfaction.**

Strategies for Sustainable Consumer Satisfaction Telecommunications Service and the dissatisfaction gap. It is a moving target.

Consumer satisfaction and competition evolving from absence of intense rivalry, threat of substitutes and high barriers to entry. The future of these competitive forces and changing rapidly.

How do we delight the consumer? Identifying shifting dissatisfaction gaps and passionately providing more than expected (the Boston experience).

The triple bottom line and customer satisfaction in poor infrastructure environment. Managing the allure of short term again with poor services is a reputation and word of mouth damage.

Balancing stakeholders, expectations, between shareholders, staff, customers and regulators. Tracking staff attitudes and service i.e. (Do women treat people



better?) The Jim Collins Colorado experience? "Your people will treat your best customers as you treat them"

That loyalty from satisfaction is cheaper than always finding new customers. Finding a passion for customer service is important.

Satisfaction in the information age. Standards are not local any more.

Consumer activism will drown the unprepared (the anti – globalization movement and the new order). Supranational institutions will set tomorrow's bench marks. The key strategy is in pricing, availability, reliability and value -added services.

### **Learning and the service satisfaction.**

That the information flow in the firm should stay competitively service focused, research, feedback and the building of corporate character as different from corporate reputation should be paramount.

### **The People (Employees):**

Employees are also very important in that they have to always seek the truth. Customers more often judge the quality of services to be delivered basing on employees. Further more, customers consider employees as the company; hence the quality of contract, conduct when giving services, attitude and employees are crucial.

### **The System**

The system refers to the manner in which a service is being delivered. A customer satisfaction system designed to provide a maximum level of ease and convenience to customers, this could be achieved by carrying out a task analysis which identifies the stages involved in delivering the service and enabling the staff to rehearse the performance required to satisfy the customers.

## 2.8 THE CUSTOMER SATISFACTION MODEL

In a maiden research on the subject of customer satisfaction, a Lancaster team (Carvana, Legrand, Omagar, 1986) grouped the various moments of truth into five interfaces namely;-

- **The Management – Customer Interface.**

Top Management does not often interact with customers. However when dealing with corporate key clients there is need for interaction and contact.

It is therefore of great importance that these contacts be well managed.

The management would make sure that it legalizes the general rule which states that the bulk of a company's business comes from a small number of its customers by (Pareto).

- **The staff – Customer Interface.**

The staff that interacts with customers on a daily basis continually or by job occupation should understand the customer needs on an individual basis. Further more; staffs that do not directly interact with customers should be made to realize that they are supporting those who directly interact with customers.

- **The Management – Staff Interface**

Any organization is as good as the quality and qualification of its employees. Due care must therefore be paid to the recruitments, training and commitment to employees welfare in order to foster a customer satisfaction orientation.

- **The Customer – System Interface**

This refers to the process of delivering the services to the customer. How efficiently can you deliver the services to the customers? What are their utmost needs.? And how best can we deliver according to their needs.

- **Management – System Interface.**

It is the duty of management to design and establish a service delivery process that satisfies its actual potential clients.

Further more, management should improve on the environment where the customer is attended to, because it portrays the image of the entire organization and attracts more customers through customer to customer sharing.

The customer satisfaction model also places emphasis on an active information (feed back) linkage between top management and the market. Management needs to know what customers want, what their assessment of the product/service and delivery is, where their dissatisfaction originates, what their complaints are and what suggestions they have for the product/service.

## **2.9 MEASURING CUSTOMER SATISFACTION.**

The measurement of customer satisfaction has certainly proved one of the silent features for market research agencies during the recession according to Coleman (1992).

Balunywa (1992) states that to find out whether you are giving quality service ask the customer; e.g how well are we doing? How can we become better? By this one can easily evaluate customer satisfaction/dissatisfaction.

According to Neil (1992) customer satisfaction can be measured by constructing a brief written questionnaire getting a feedback from ex-customers, correcting mistakes and weaknesses, identified by the questionnaires and finally keep asking and improving on such areas of customer interest.



## 2.10 BENEFITS OF CUSTOMER SATISFACTION.

There are several contributions of customer satisfaction which lead to the long term survival of a business. The following are the main ones.

- **Job Satisfaction:**

A pleasant work environment resulting from customer satisfaction has beneficial effect on the employees who would come to enjoy their work in essence; therefore customer care could reduce labor turnover, cardiac symptoms and absenteeism.

- **Creates a Competitive Edge**

The ability to differentiate one's product/service from that of other competitors is of paramount strategic importance as it makes imitation very impossible. Moreover the resulting differentiation could be exploited further by advertising.

- **Customer Loyalty**

This refers to a tendency of a customer to continuously consume a given product/service. Customer loyalty eliminates brand switching and substitution. A loyal customer is very healthy for a successful organization.

- **Confidence**

This basically refers to the inner feeling or his/her personal decision or choice for consumption of a particular product or service.

- **Positive Word of Mouth Advertising.**

It is important to note that dissatisfied customers spread bad news. A customer orientation, putting emphasis on customer satisfaction can reverse such a situation and establish a credible positive image for the business.

It is also important to note that a dissatisfied customer while consuming a product or service will automatically drop or abandon the product or service and this will breed un royal customers.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 INTRODUCTION**

This chapter gives a description of research design, study population, sample selection, procedures, analysis, data collection and limitations of the study.

#### **3.1 RESEARCH DESIGN**

In order to collect as much data as possible, a combination of descriptive cross sectional and analytical research design based on the result from the questionnaires were to be used by the researcher.

#### **3.2 STUDY POPULATION.**

The study was seeking to asses the impact of customer services on customer satisfaction In MTN Uganda consequently; the population that was researching upon was MTN customers.

#### **3.3 SAMPLE DESIGN.**

Convenience sampling method was used. This method manifested a great ease in its operationalisation in terms of access, speed and limited time.

### 3.4 SAMPLE SIZE.

Table I showing summary of respondents.

Type of Respondent	No. of Respondents
Male	40
Female	40
Total No. of Customer	80

### 3.5 SAMPLING PROCEDURE.

A simple random sampling design was used to select the required respondents so as to minimize bias. Purposive sampling method was used to enable the researcher achieve his or her purpose.

### 3.6 SOURCES OF DATA

- **Primary Data.**

Primary data refers to raw data collected through personal interviews and through questionnaires. This was acquired through personal interviewing with respondents, observations and by self-administered questionnaires.

- **Secondary Data.**

Secondary data refers to the data obtained through the existing literature from libraries. This was obtained from a review of related literature from journals, published reports and written documents.

### **3.7 DATA COLLECTION INSTRUMENTS.**

The researcher used self-administered questionnaires on respondents from the sample, observations were used and personal interview with respondents was carried out to clarify UN clear issues, to increase the respondents' rates.

The procedure of data collection was as follows;-

A survey was basically used in this study. A questionnaire was one of the instruments to collect data. The questionnaires were distributed among respondents who answered them with a free mind.

The questionnaires were distributed to MTN customers and were collected in a period of 2 weeks from them by the researcher.

Another instrument was observation and personal interviews. These were conducted face to face by the researcher to the respondents.

As respondents are answered, the researcher observed their expressions and also record their answers. Where not clear both, the researcher and the respondents asked questions for clarity.

### **3.8 DATA PROCESSING AND ANALYSIS.**

All the responses from the field was sorted, edited, coded and tabulated with view of a checking for corrections relevancy, accuracy, validity and completeness.



The linkers scale of measurement was used with five point positions of very satisfied, satisfied, uncertainty, dissatisfied and very dissatisfied to establish the degree of respondents, agreements to the statements which the researcher identified as measure of customer satisfaction.

### 3.9 LIMITATIONS OF THE STUDY.

- **Incomplete questionnaires.**

These questionnaires were distributed to the chosen respondents, left with them and then they were collected after an agreed time. Some questionnaires were not completed and those were not considered at the analysis stage hence a limitation to the study.

- **High costs.**

The study was costly particularly in meetings, transport expense, printing and binding among others.

- **Denial of access to information.**

MTN officials declined to give relevant information to the researcher.



## **CHAPTER FOUR**

### **4.0 PRESENTATION ANALYSIS AND DISCUSSION OF FINDINGS.**

This chapter deals with the presentation and analysis of the surveyed data. The variable analyzed are the aspects of customer service and customer satisfaction in a framework previously discussed. The empirical data gathered from the fieldwork analyzed in an attempt to assess the effect of customer service on customer satisfaction in MTN Uganda.

The sample size used was big enough to help the researcher to analyze the study much more clearly. In this part of the study, tables and figures were used to represent the findings of the study. In other instances, the researcher was not able to give the findings in tabular form, they were described in percentages.

### **4.1 RESPONSE BY SEX AND AGE GROUP.**

As earlier noted in sample size about the subject for this study were purposively sampled from MTN customers to the researcher were 38% male and 62% female. Neil (1992) points out that customers' satisfaction can be measured by constructing a brief written questionnaire getting a feedback from ex-customers correcting mistakes and weaknesses that are identified by the questionnaire and finally keep asking and improving on such areas of interest.

Also the response was In line Balunywa (1992) who states that to find out whether you are giving quality services ask the customer ; how well are we doing?, how can we be better?, hence evaluating customer satisfaction.

Majority of the subject were in the age bracket 25 – 30 years who constituted approximately 70% of the total respondents, 6% were below 25 years and those above 31% years therefore were about 24% of the total respondents. Their findings have been summarized in the table below;-

**Table 1: Respondent by Sex and Age group.**

Age/Sex	Below 25 years	25 – 30 years	31 – 51 Years	36 – 40 Years	Above 40 Years	Total	Percentage
Male	1	14	3	1	0	19	38
Female	2	21	4	2	2	31	62
Total	3	35	7	3	2	50	100
Percentage	6	70	14	6	4	–	–

**Source: Primary Data.**

#### **4.2 RESPONSE ON JOB TITLE:-**

When the respondents were asked about their job titles, it **was found out that of the 48 respondents, who attempted the question, 65% respondents were** business men and women, 8% were teachers, 19% were students, 4% were doctors and 4% were lawyers. The above presentation was indicated in the table below:-

**Table 2: Respondents on Job title of the Respondents.**

Respondents	No. of Response	Percentage
Business men & women	31	65
Teachers	4	8
Students	9	19
Doctors	2	4
Lawyers	2	4
Total	48	100

**Source: Primary Data.**

From the table above, the researcher found out that most customers of MTN Uganda are business men and women who constitute the greatest percentage of 65% and others were 35% of the total number of respondents. This may be because of reliability and accessibility of MTN services, which makes it convenient to the business classes that usually do their business in different areas.

#### 4.3 QUALIFICATION OF RESPONDENTS.

A question was asked about the qualification of the respondents, it was answered by all the respondents in table 3, whereby they were supposed to tick in the space provided.

**Table 3: Response on the Qualification of the Customer.**

Qualification	No. of Response	Percentage
Degree	1	2
Diploma	7	14
Certificate	12	24
A-Level	7	14
O – Level	13	26
Total	10	20
	50	100

**Source: Primary Data.**

The researcher found out that customers of MTN were literate, they could read and write. This may have contributed to their satisfaction because **most** of MTN services are conducted in English.

For example, the instructions indicated on Pay As You Go Cards, requires some one who can read and understand English in order to load Airtime on the phone.

#### 4.4 HOW LONG HAVE YOU BEEN A CUSTOMER OF MTN UGANDA

A question was asked of the period the respondent has been a customer of MTN Uganda. Respondents were asked to tick on the period which was specified and the response is indicated in the table below.

**Table 4: Response on the Period.**

Period	No. of Response	Percentage
Less than one year	9	18
1 – 2 Years	12	24
3 – 4 Years	16	32
More than 5 Years	13	26
Total	50	100

**Source: Primary Data.**

According to the findings in Table 4, most of MTN customers have spent a long period with the company. 58% of the total number of customers has spent more than three years dealing with the company. This shows that the customers are satisfied with the company offers.

This is in line with Kotler (1995), who noted that “No company can service for long without satisfied customers. Successful organizations are those that are able to win and retain customers over time.

#### 4.5 SERVICES OFFERED BY MTN UGANDA.

Respondents were asked to tick in the space provided on the question concerning “the services they receive from MTN Uganda”. The findings are shown in the table below.



**Table 5: Response to Services Offered by MTN Uganda.**

Service	Response	Percentage
Fixed Line	5	10
Pay Phone	9	18
Cellular Services (Mobile Phones)	34	68
Others	2	4
Total	50	100

**Source: Primary Data.**

From the above table, it can be noted that the big percentage, 68% of customers receive Cellular Services (Mobile Phones) from MTN Uganda.

#### **4.6 AVAILABILITY OF MTN SERVICES**

In relation to satisfaction, the findings revealed that 70% of customers of MTN were very satisfied with the availability of MTN Services. The presentation of the above findings is indicated in the table below:-

**Table 6: Response of Customers on Availability of MTN Services.**

Comment	Response	Percentage
Very much Available	35	70
Much Available	8	16
Averagely Available	4	8
A Little Available	2	4
Very Little Available	1	2
Total	50	100

**Source: Primary Data.**

The researcher found out that MTN services are very much available according to the findings. 70% of the customers were satisfied with the availability of MTN services and this could be due to; reliability, accessibility, quick delivery and convenience of MTN services to customers, hence has created customer satisfaction.

This is in line with NGM (1997 – 2001) research group, which noted that reliability, accessibility and convenience are components of customer service. Also ACA group New Hall (2002) noted that customer services is the ability of an organization to constantly and consistently give the customer what they want and need. So MTN by providing service availability, they are in line with ACA group New Hall (2002).

#### 4.7 HOW CUSTOMERS ARE SATISFIED WITH THE FOLLOWING MTN SERVICES.

A question was asked on how the respondents were satisfied with MTN services and it was answered by all the respondents, whereby they were supposed to tick in the space provided.

The findings and results of response to seven items on which 50% respondent ticked any seven responses with very satisfied = 5, satisfied = 4, uncertain = 3, dissatisfied = 2 and very **dissatisfied** = 1. Various frequencies were entered, multiplied by the relevant code and summed up the resultant score as in the table and there after computed the mean score.

**Table 7: Responses on how the customers are satisfied with the following MTN services.**

<b>Ranked Response</b>							
<b>Level of satisfaction (as explained above)</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>Total Response</b>	<b>Mean Score</b>
<b>Complaints handling.</b>	35	9	3	2	1	225	4.5
<b>Connection time</b>	19	17	8	3	3	196	3.92
<b>Phone repair</b>	26	17	4	2	1	215	4.3
<b>Buying Airtime Cards</b>	19	16	6	5	4	191	3.82
<b>Buying Sim pack</b>	24	20	4	1	1	215	4.32
<b>Finding handsets' serial numbers</b>	30	15	3	2	0	223	4.46
<b>Response to complaints</b>	36	8	4	2	0	228	4.56
<b>TOTAL</b>	194.	106	31	17	11	1493	29.9

**Source: Primary Data.**

The study above shows that the total score of 50 respondents were 1493. Looking at individual scores for each item, it shows that three items with highest scores in order of merit are response to complaints, complaints handling and find hand sets serial numbers.

This has created customer satisfaction, according to Ramswanty (1969), customer services result into customers satisfaction which is determined by how seriously the complaint is taken and the manner in which the solution to the problem is conveyed and solved

#### 4.8 THE LEVEL TO WHICH CUSTOMERS ARE SATISFIED WITH MTN SERVICES CURRENTLY.

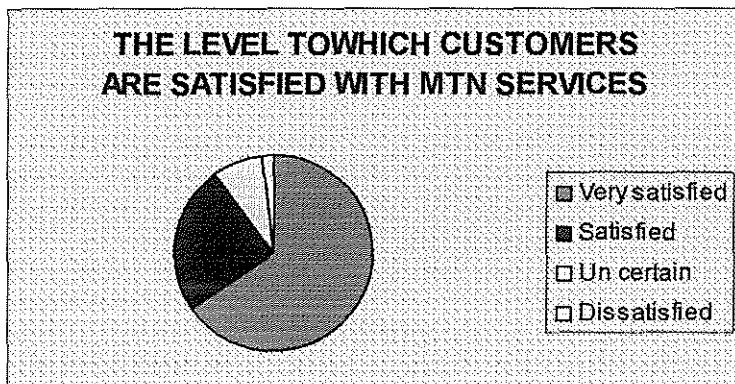
A question was also specifically asked on the level to which customers are satisfied with MTN currently. The finding of the study show that many customers are very satisfied with the company offers. According to the findings, 64% were very satisfied, 26% satisfied, 8% uncertain, 2% dissatisfied and

**Table 8: The level to which Customers are satisfied with MTN services.**

Degree of Satisfaction	Response	Percentage
Very satisfied	32	64
Satisfied	12	26
Un certain	4	8
Dissatisfied	1	2
Total	50	100

Source: Primary Data.

Figure I showing the level to which customers are satisfied.



From the table and pie chart above, the researcher found out that MTN customers are very satisfied with the company services. The researcher found out that 88% of the customers are satisfied with the level of MTN services and this has resulted from MTN customer service programs. This explains why MTN has managed to capture the higher market share from its competitors.



However, the researcher found out that some of the customers were not satisfied, thus MTN needs to ensure that it improves on its ways of delivering services so as to remove that dissatisfied percentage of customers so as to attract even more people from other networks.

#### 4.9 HOW CUSTOMERS RATE THE COMPANY SERVICES IN EACH OF THE FOLLOWING AREAS.

Respondents were asked to tick in the right column in the space provided on a question concerning how respondents rate the company services in the areas which were identified as indicated in a table below.

**Table 9: Response on how Respondents Rate the Company in the Following Areas.**

Areas	Ranked Responses						
Ranks.	5	4	3	2	1	Total Response	Mean Score
Reliability of services	24	18	7	1	0	215	43
Courtesy	11	27	7	3	2	192	38.4
Quick delivery	13	23	8	3	1	194	38.8
Convenience	22	17	8	2	1	201	40.2
Accessibility	23	14	10	3	0	207	41.4
Foster relationship	15	19	10	4	2	191	38.2
Timely resolution of complaints	14	21	7	3	5	186	37.2
Total	127	139	60	19	11	1386	277.2

**Source: Primary Data.**

In table 9. above, we present findings and result of response to seven areas on which 50 respondents ticked any of the seven responses with excellent = 5, Very good = 4, Good = 3, Poor = 2 and very poor = 1. Various frequencies were entered, multiplied by the relevant code and summed up the resultant scores as shown in the table above and thereafter computed the mean score.

Findings to this study indicated above show that the total score of 50 respondents were 1386, looking on the highest score in order of merit are reliability of services, accessibility and convenience. The researcher found out that the customers of MTN are satisfied with the above components of customer service as noted by NGM (1997 – 2001). This is in line with Gerson (1994) in his three major components of customer satisfaction noted that “to foster a customer satisfaction orientation service strategy should be customer centered.

## **CHAPTER FIVE**

### **5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.**

In the proceeding section of the study, the researcher dealt with the effect of customer service on customer satisfaction in MTN Uganda. In this chapter, summary of the main findings of the study, conclusion, implications of the study and further areas for future research are presented.

The findings and conclusion of this study will be basically based on the objectives of the study (as stated in chapter 1.4).

### **5.1 SUMMARY OF MAIN FINDINGS OF THE STUDY.**

Research findings indicate that there is a significantly positive relationship between customer service and customer satisfaction in MTN Uganda. The researcher found out that quite a number of customers of MTN are in age bracket of 25 – 30 years who constitutes the highest number of the total respondents, which was 70%. 58% of the total number of customers has spent more than three years dealing with the company which shows that they are satisfied with the company offers.

A close examination of the customer's perception of customer service and their levels of satisfaction revealed that customers are satisfied with services offered by MTN Uganda. The critical aspects here include service reliability, accessibility and convenience respectively in their order of satisfaction, which constituted approximately 50% of the total response.

Respondents revealed that what they expected of MTN services are reliability, accessibility, convenience, quick delivery and friendly.

The researcher found out that 88% of the customers were satisfied with MTN services because their expectations were addressed.

Customer satisfaction was found out to be largely dependent on the level of customer services. 88% customers were satisfied with level of MTN services.

Customer competitive edge, royalty, positive word of mouth, confidence and pride were found to be high because of the apparently good customer services.

## **5.2 CONCLUSION**

From the above findings, the researcher came up with the following conclusions. Customer service highly influences customer satisfaction. From customers' point of view, customer service is largely actual other than perceived. There is strong relationship between customer expectations and company perception of customer service. The main components of customer service from customer's point of view include reliability, accessibility and convenience. To create a satisfied customer is the order of the day in telecommunications industry, this is because government policy has created a favorable ground for liberalization that has yielded competition, which in turn has led to the need to create customer satisfaction and ensuring customer retention. The study has further re-affirmed that a customer is a "king".

## **5.3 RECOMMENDATIONS**

- The Research recommends that MNT puts more emphasis on customer services in order to attain more customers and retain them in this competitive market:



- Given the competition in telecommunications service industry in Uganda, MTN should improve on some components of customer service where scores are low, like in timely resolutions of complaints, foster relationship and courtesy. This will be achieved through improved technology (computerized), creation of friendly relationships with the customer and also training the front office contact staff in better public relations ethics.
- They should periodically evaluate the effectiveness of its major customer service so as to make the necessary adjustments.
- Market Research; In this competitive environment, success depend on understanding the customer's needs and trying to satisfy them.

In order to create more customers and their retention, MTN should carry out research aimed at identifying major expectations of customers. Such market research should be continuous so as to highlight the company of its strength, weaknesses, opportunities and threats so that it checks and balances its systems in order to gain a competitive edge over others in the same industry.

#### **5.4 ISSUES FOR FUTURE RESEARCH.**

The following issues for future research were suggested.

- Research about customer service impact on sales volume or price or company image should be done in future.
- Further research directed to finance and accounting human resource and maintenance can be carried out.

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## **APPENDIX A1**

### **KAMPALA INTERNATIONAL UNIVERSITY**

#### **QUESTIONNAIRE ON CUSTOMER SERVICE AND CUSTOMER SATISFACTION.**

**(To be filled by customers of MTN.)**

##### **Introduction.**

The researcher is conducting a study on the impact of customer service on customer satisfaction in MTN Uganda. Because you are one of the customers of MTN, you are in a better position to provide the information. The information provided is purely for academic purpose and will be treated with the highest confidentiality.

##### **SECTION A:        Gender**

1.     Male   ☐                      Female   ☐

2.     Age of respondents   ☐  
      Below 25 years

      25 – 30 years   ☐

      31 – 35 years   ☐

      36 – 40 years   ☐

      Above 40 years   ☐



3. Job Title \_\_\_\_\_

4. What is your qualification?

Degree

Diploma

Certificate

A' Level

O'Level

Post graduate

5. How long have you been a customer of MTN?

Less than one year

1 – 2 years

3 – 5 years

More than 5 years

## SECTION B: Customer Service Delivery.

1. Which services of MTN do you receive? Please indicate to ticking.

Fixed Line Services ☐

Pay Phone Services ☐

Cellular Services  
(Mobile Phones) ☐

Others (specify) \_\_\_\_\_

2. Comment on the availability of MTN services when needed.

Very much available ☐

Much available ☐

Average available ☐

A little available ☐

Very little available ☐

8. How satisfied are you with the following services? (Please tick the appropriate column).

Items	Very satisfied	satisfied	Un certain	Dissatisfied	Very dissatisfied
Complaints handling					
Connection time					
Phone repair					
Buying Airtime cards					
Buying sim pack					
Finding handsets' serial number					
Response to complaints					

9. Indicate by ticking the level to which you are satisfied with MTN services currently.

Very satisfied ☐

Satisfied ☐

Uncertain ☐

Dissatisfied ☐

Very dissatisfied ☐

**SECTION C.            Responsiveness of the company.**

9.        Indicate by ticking in the right column, how you would rate the company services in each of the following areas.

<b>Areas</b>	<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Poor</b>	<b>Very Poor</b>
<b>Reliability of services</b>					
<b>Courtesy</b>					
<b>Quick delivery</b>					
<b>Convenience</b>					
<b>Accessibility</b>					
<b>Foster relationship</b>					
<b>Timely resolution of complaints.</b>					

Thank you for your cooperation.