ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES

FACTORS AFFECTING CUSTOMERS SATISFACTION (THE CASE OF MOBILE CUSTOMERS IN ADDIS ABABA CITY ADMINISTRATION)

BY
TESFAYE MOTI

AUGUST 2013
ADDIS ABABA, ETHIOPIA

FACTORS AFFECTING CUSTOMERS SATISFACTION (THE CASE OF MOBILE CUSTOMERS IN ADDIS ABABA CITY ADMINISTRATION)

BY
TESFAYE MOTI

A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY COLLEGE, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

AUGUST 2013
ADDIS ABABA, ETHIOPIA

ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS

FACTORS AFFECTING CUSTOMERS SATISFACTION (THE CASE OF MOBILE CUSTOMERS IN ADDIS ABABA CITY ADMINISTRATION)

BY
TESFAYE MOTI

APPROVED BY BOARD OF EXAMINERS

_____   _____

Dean, Graduate Studies   **Signature**

_____   _____

Advisor   **Signature**

_____   _____

External Examiner   **Signature**

_____   _____

Internal Examiner   **Signature**

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Ass. Prof. Teklegiorgis Assefa. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

_____   _____

Name   Signature

St. Mary's University College, Addis Ababa   **August, 2013**

ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of

Graduate Studies for examination with my approval as a university advisor.

_____   _____

Advisor   Signature

St. Mary's University College, Addis Ababa   August, 2013

Acknowledgements

The successful completion of any survey study of this kind is possible only through the invaluable support of a number of people. I therefore, would like to express my apperception for the help I received from several individuals and institutions in the course of carrying out this study.

In the first place, my heartfelt thanks go to my thesis advisor Assistant Prof. Teklegiorgis Assefa for making this research possible. His unreserved professional comments, support, guidance, advice through the research, as well as pain-staking effort in proof reading the draft, are greatly appreciated. Indeed, without his guidance, I would not be able to put the topic together, thanks Teklegiorgis.

I am also highly grateful to the Ethio Telecom zonal offices and staffs for their cooperation in giving me the information needed for the study and to all of my friends for being source of encouragement to me in difficult times. Last but not least, I would like to thank my parents for their unconditional support, both financially and emotionally throughout my career

Abstract

The main objective of this study was to identify factors affecting customer satisfaction in mobile service at ethio telecom case of Addis Ababa. To conduct this study, a descriptive survey was employed. Questionnaire survey, interview, document analysis and organizational observation were used to collect necessary data. The research study involved three categories of sample populations: Customers/subscribers of mobile, ethio telecom front desk employees and Management groups. Data analysis was done using descriptive statistical tools and percentage. The study findings indicate that there are customer dissatisfactions in mobile service usage of ethio telecom due to different factors. The factors are Reliability of the service is very low, Absence of quick response, apology and compensation for service failure, Lack of communication between the back office and the front office, employees, Failure of front desk employee to provide clear and adequate information on the availability of particular services, Service delivery not consistent and standardized, company's failure to react quickly for customers request, Employees Lack of courtesy and poor customer handling are the main. This study concludes that these factors should be fulfilled or improved at the organizational level to satisfy customers through improving the quality of services. It is concluding that customers are dissatisfied by mobile service usage of ethio telecom. Therefore, this study conducted to make aware the company factors affecting customers satisfaction and put bench mark information for scholars and other researchers who want to conduct further research in the area The researcher strongly recommends that there needs to be a balance between expanding the service and acquiring reliable network, good customer handling and having clear and accurate bill, and the company has to enhance the need of existing employee and attract new skilled manpower from the market.

Table of Contents

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

List of tables

List of Figures

Abbreviations and Acronyms

3G- Third Generation Network

ARPU- Average Revenue Per Year

CAGR- Cumulative Average Growth Rate

CDMA- Code Division Multiple Access

ET- Ethio Telecom

ETA-Ethiopian Telecommunication Authority

ETC- Ethiopian Telecommunication Cooperation

GPRS- General Packet Radio Service

GSM- Global System Mobile

ICT- Information and Communication Technology

MTN – Mobile Telephone Network

SERVQUAL- Services Quality

SIM- Subscribers Identity Module for Mobile

SMS- Short Message Service

WCDMA- Wide Band Code Division Multiple Access

CHAPTER ONE: INTRODUCTION
INTRODUCTION

The telecom services have been recognized the as an important tool for socioeconomic and political development for a nation and hence telecom infrastructure is treated as a crucial factor to realize the socio-economic objectives in the country. For realization of these objectives the service provided should be satisfying the need and requirement of customers.

Customer satisfaction is related to the services provided by an organization for its customers and how an organization meets customer expectations. It depends on a products' perceived performance in delivering value relative to a buyer's expectations. If the products performance falls short of the customer expectation, the buyer is dissatisfied. If the products' performance exceeds the customer expectation, the buyer is delighted. Outstanding marketing companies go out of their way to keep their customers' satisfied. Satisfied customers make repeated purchases and they tell others about their good experiences with the product. The key is to match customer's expectations with company performance. Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promised customer satisfaction is closely linked to the quality.

Therefore the concern of this study is addressing the main causes of customer dissatisfaction on mobile service through different research techniques and suggesting possible solutions. In addition the study provides higher officials of the company with information regarding customer satisfaction that will help in company's strategic planning formulation and for the betterment of the overall customer handling techniques. In general this paper comprises detailed analysis of customer satisfaction on mobile service of Ethio Telecom and its interpretation, literature review regarding customer satisfaction and recommendation and conclusion that might be the basis for company's policy and strategic plan formulation regarding the factors that affect customer satisfaction in mobile service.

1.1 Background of the Study area

The introduction of telecommunication service in Ethiopia dates back to 1894. It was Minilik II, king of Ethiopia who introduced telephone technology to the country with the installation of 477 Km long telephone and telegram lines from Harar to Addis Ababa. (Tele Negarit, 2007)

Ethio Telecom, former Ethiopian Telecommunication Corporation (ETC) is the oldest sole and public operator in the country as well as in Africa. It provides both national and international telecommunication services, using communication media of satellite, optical fiber, microwave, multi-access radios, very small aperture, ultra high frequency and very high frequency. Currently it provides different major types of service packages such as landline and wireless fixed, mobile, internet and data services for its government, business and private and other non-government organizations, which are local and international. (Worku, 2005)

When we see the specific service package that will be studied in this research, the mobile service, is the lately introduced telecom service in the country. Though its introduction is only in 1999 it comprises the highest number of subscribers and covers the lion's share of the revenue of the company than any of the other services. Despite this the mobile service quality of the country is poor and its coverage is limited in comparison to other African countries and the number of subscribers is dramatically increasing from year to year. The additional services given under mobile service beside voice call are short text message (SMS), video call; call waiting, call diverting and internet on mobile are the main ones.

Though the mobile service in the country has a weakness it has shown rapid improvements both in quality and quantity especially after the year 2004/05. The complaints of the customers are also increasing with the expansion of the mobile service. Customer complaints and customer satisfaction are inversely related. Increasing customer satisfaction will decrease the number of complaints. However, it is not an easy task to reduce customers' complaints and maintain a high level of customer satisfaction. On the other hand, organizations to put extra efforts towards handling these issues and create satisfied customer for their survival and generating profit/meeting the objective.

1.2 Statement of the Problem

In the contemporary environment where business is expanding and competition is stiff both nationally and internationally; doing business becomes a great challenge. Therefore, in order to overcome this challenge organizations (businesses) are developing different strategies to achieve their long run objective and for survival. One of the best strategies is about satisfying the customer that ensures a long term growth and profitability of business. Nowadays organizations are well aware of the benefits of retaining customers because customer retention is least costly

and easy task than attracting new customers (Kotler, 2006). Customers are considered as core concern for any organization whether it is service provider or manufacturing firm. As a result no one is questioning the importance of customer satisfaction for the existence of an organization. Though customer satisfaction has a great importance for the growth and existence of an organization; customers are not satisfied with ethio telecom mobile services in general and Global System Mobile (GSM) service in particular. If we look specifically at the central issue of this study (factors affecting customer satisfaction in mobile service) the number of subscribers and value added services are increasing from time to time, but the users are not satisfied with the quality and availability of the service. For instance from the year 2003/04 to 2007/08 the number of subscriber increased nearly by five folds compared to the early year of its introduction. (ETC Statistical Bulletin, 2008/2009)

Despite the improvement in quality and the number of subscribers of service the complaint on GSM service in the country has increased; it is common to hear customer complaint almost everywhere in the city, Addis Ababa, and also in other parts of the country.

The main focuses of the study would be directed identifying the factors that influence customer satisfaction in using GSM service and investigating how to respond towards those factors in view of SERVQUAL model or the five service quality dimensions.

1.3 Research Questions

This research paper will try to answer the following questions.

- How do customers perceive the service quality of mobile service provided by ethio telecom?
- Are the subscribers satisfied by the mobile service provided by the operator (ethio telecom)?
- What are the main factors that affect customer satisfaction in mobile service usage?
- How do customers view ET mobile service from five service quality dimension (tangibility, reliability, responsiveness, assurance and empathy) point of view?

1.4 Objectives of the Study

1.4.1 General Objective

The main objective of this study is to investigate the key variables that have strong influence on customer satisfaction in ethio telecom GSM service and that influence purchasing decision of customers (subscribers). The study considered important factors that affect customer level of satisfaction, like pricing, service interaction, service delivery process and customer handling procedures.

1.4.2 Specific Objectives

➢ To assess the main causes of customer dissatisfaction in using and getting GSM (Global System Mobile) telecommunication service.

➢ To examine the extent of price and other related issues like SIM replacement cost and subscription fee and their effect on customer satisfaction.

➢ To analyze the effect of frontline employee interaction with customers on the level of satisfaction of customers.

➢ To assess customer satisfaction of mobile service usage based on five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy).

1.5 Significance of the Study

The significance of the study is to make top officials aware of the factors affecting customer satisfaction particularly on price and service delivery, customer compliant handling procedure and service interaction (customer interaction with front desk employee). The research would provide insight to company and other stakeholders about factors affecting customer satisfaction which help them in delivering quality and customer based service. In addition based on the analysis of the study, the company could be benefited in meeting customer needs and satisfaction.

1.6 Scope and Limitation of the Study

The geographic coverage of the study is limited to Addis Ababa by taking three zonal offices from the existing six zones; the zonal offices selected for the study purpose are North Addis

Ababa zone, Central Addis Ababa zone, and East Addis Ababa zone. While the limitation of this study is that the sample size used for this study is not lead to generalization of the study.

1.7 Organization of the Paper

The research study is structured in to five chapters. The first chapter deals with the background of the study, statement of the problem, objectives of the study, significance of the study, scope and limitation of the study. While, Chapter two deals literature review and chapter three with methodology of the study. The other two Chapters, chapter four and chapter five deal with data presentation and analysis and finding, conclusions and possible recommendations respectively.

1.8 Definition of Terms

Customer satisfaction - evaluation of the difference between prior expectation and the actual performance of the product/service.

Price fairness - refers to consumers' assessment of whether a seller's price is reasonable, acceptable or justifiable

Customer service - is a system of activities that comprises service interaction, service delivery process and compliant handling procedure.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

Introduction

This chapter deals with the theoretical and conceptual framework of the study. Customer satisfaction, Factors Affecting Customer Satisfaction, customer service, Price Fairness, Mobile Service in Africa, Competitive Intensity of Mobile Service in Africa, Background of Telecommunication in Ethiopia, Telecommunication in Ethiopia, Mobile Service in Ethiopia, Mobile Pricing in Ethiopia and some models related to services quality are briefly reviewed.

2.1 Customer Satisfaction

There are ample definitions regarding consumer satisfaction by different authors and researchers, so that there is no single and precise definition of customer satisfaction. Due to this we are going to see different authors' definition at different time in detail.

Experts have defined customer satisfaction in different ways. Customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Simon, 2010).

Customer satisfaction is defined as an "evaluation of perceived discrepancy between prior expectation and the actual performance of the product". Satisfaction of customers with products and services of a company is considered as most important factor leading toward competitiveness and success. Customer satisfaction is actually how customer evaluates the ongoing performance. According to Kim et al, (2004) customer satisfaction is customer's reaction to the state of satisfaction and customer's judgment of satisfaction level. Customer satisfaction is very important in today's business world as according to Deng et al., (2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers (International research journal of finance and economics, 2010).

Customer satisfaction is a personal feeling of either pleasure or disappointment resulting from the evaluation of services provided by an organization to an individual in relation to expectations.

Service providers frequently place a higher priority on customer satisfaction, because it has been seen as a prerequisite to customer retention. As a positive outcome of marketing activities, high customer satisfaction leads to repeat visitation to stores, repeat product purchases, and word-of-mouth promotion to friends, while low customer satisfaction has been associated with complaining behavior. A satisfied customer often stays loyal longer, and is likely to patronize/shop at the firm in future.

Customer satisfaction can be conceptualized as either transaction-specific satisfaction or cumulative satisfaction. Transaction-specific satisfaction is a customer's evaluation of her or his experience and reactions to a specific company encounter. Cumulative satisfaction refers to customers overall evaluation of patronage experience from inception to date (Siew etal, 2011).

The concept of customer satisfaction occupies a central position in marketing thought and practice. Many companies today are aiming and working day and night on customer satisfaction, because the existence of any company depend on satisfaction the satisfaction level of customers using their product or service. Satisfaction is the major outcome of marking activity and serves to link process culminating in purchase and consumption with post purchase phenomena such as repeat purchase and brand loyalty (Rajasekhara, 2010).

According, to Oliver, (1981) cited by Rajasekhara 2010 satisfaction is defined as a judgment that a product or service feature, or the product or service itself, provide (or is providing) a pleasurable level of consumption related fulfillment, including level of under-or-over fulfillment.

According to the definition given by Oliver, 1981 as cited by Simon, 2010 every organization should have to look after his customers and wise to measure their satisfaction level, because customer satisfaction is key in retaining you customer with you. Understanding what customer expect from service organizations, provide a standard of comparison against which customers judge on organization's performance. Customers of service have expectations about what they will receive of service s have expectations about what will receive from delivery system. Undoubtedly, customer satisfaction is a key to survival and thriving in competitive time is to win the customer and to keep them in our service or product range.

According to, (Joan, 2002) While the literature contains significant differences in the definition of satisfaction; all the definitions share some common elements. When examined as a whole, three general components can be identified:

1) Consumer satisfaction is a response (emotional or cognitive);

2) The response pertains to a particular focus (expectations, product, consumption experience, etc.); and

3) The response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc). Consumer responses followed a general pattern similar to the literature. Satisfaction was comprised of three basic components, a response pertaining to a particular focus determined at a particular time.

Customer satisfaction is defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customers will be satisfied. Otherwise, if the perceived expectations are met with performance, customers are in an indifferent or neural stage. In general, increased customer satisfaction leads to higher customer retention rate, increases customer repurchase behavior, and ultimately drive higher firm profitability (*Olu, 2010).*
According to Olu generally there are two general conceptualizations of satisfaction, namely, transaction specific satisfaction and cumulative satisfaction (Jones and Suh, 2000; La, 2004). Transaction-specific satisfaction is a customer's evaluation of his or her experience and reactions to a particular service encounter (Gray, 2004) and cumulative satisfaction refers to the customer's overall evaluation of the consumption experience to date (Cook,2008) as cited by Olu, 2010.

2.2 Factors Affecting Customer Satisfaction

Obsession with customer satisfaction is what driving change is today particularly in service sector. Customer satisfaction will occur only through conscious efforts to alter the way we approach our service delivery process. Service companies must not only change their attitude towards market but also change their way in providing services with marketing expected parameters like quality, reliability, price availability, accessibility etc. (Rajasekhara, 2010)

Though service provider change their way of providing services through changing their attitudes and with marketing expected parameters listed above, avoiding customer satisfaction is impossible. Because there are money factors that affects customer satisfaction which are beyond their control. Among the factors;

2.2.1 Customer Services

Customer service is a system of activities that comprises customer support system, compliant processing, speed of compliant processing, ease of reporting compliant and friendliness when reporting compliant (Kim, etal, 2004).customer services are the opportunities for telecom service providers that are added to mobile network other than voice services in which contents are either self-produced by service provider or provided through strategic compliance with service provider. The improved customer services are the focal point of the telecom service providers for social as well as for economic reasons. From the social point of view, service should be available to the customers on reasonable terms. As far as economic factor is concerned, services should satisfy the needs of the customers.

For developing satisfaction among customers, the telecom service provider needs to be extra careful for the customer services they provide. Satisfaction of customers is determined by his evaluation of service provided by a brand. The study of shows when the customers, do not get their complaints considered properly, they start looking for other brands. It happens because either the customer service centers do not handle the complaints or the customers are not able to address them properly. Sometimes telecom, service providers take considerably longer time to resolve the problems like network coverage or call quality, the customers do not wait for long and hence they lose satisfaction with that brand (Lee, 2006).

Furthermore, the friendly attitude and courteous behavior of the service workers at service firm leaves a positive impression on the customer which lead towards customer satisfaction. On the other hand, if telecom service provider lacks in providing services (call groups) to its customers it experiences customer chunk. (Kim, etal 2004) argued that service provider should provide customer oriented services in order to heighten up customer satisfaction.

Service Interaction: Interactions or Encounters between customers and employees are a critical component of service quality. This is especially true for services characterized by a high degree of person-to-person interaction and by the absence of an exchange of tangible goods. The

client comes away from service interaction with feelings of satisfaction or frustration. Service encounter is an interpersonal association between the firm's staff and customers. Some service encounters are very brief and consists of just a few discrete delivery steps, however, other may extend over a long time frame and involve multiple steps. Therefore, the service encounter often begins with submitting applications requesting service and placing an order. Contact may take personal exchange between customers and service employees or impersonal interaction with machine or computer. It is difficult to improve service quality and productivity without full understanding of customer's involvement in a given service environment. This study defines the service encounter as the entire exchange between customer and service provider from the initial contact through conclusion of the exchange (Rajasekhara, 2010).

Service Delivery Process: Processes are the architecture of services, describing the method and sequence in which service operating systems work and how they link together to create the service experiences and outcomes that customers will value. In high-contact services, customers themselves become an integral part of the operation. Badly designed processes, often result in slow, frustrating, and poor-quality service delivery and are likely to annoy customers. Similarly, poor processes make it difficult for frontline staff to do their jobs well, result in low productivity, and increase the risk of service failures. Organizations which are involved in high-contact, people-processing service sector should design highly convenient process blueprint for both frontline staff as well customers. This process blueprint should clearly prescribes the sequence of actions while service delivery. After completion of this kind of blueprint process document, organization's middle level management should have the responsibility to oversee the service encounter stage just to know the process is implementing according to blueprint or not. If any discrepancy they have observed, they should correct it then and there itself. In the meantime organization's think tank should identify where things are particularly at risk of going wrong. From a customer perspective, the most serious fail points should be better to identify and address them with utmost care. Service delivery to customers involves decisions about where, when, and how. At the time of service delivery, there is also the possibility of delays between specific proceedings, requiring the customers to wait. Very frequently, management should identify that kind of locations and better to control the operations which are leading to delays in service delivery. Through both continuous official research and on-the-job experience, service managers can find out the nature of customer expectations at every stage of service encounter. And bring in

required modification in the existing service delivery process to increase customer satisfaction. If any service firm failed to identify the loopholes in their service delivery process, it is an uphill task for them to retain the customers even though the firm is planning to introduce service recovery as a healing strategy. Failure to ensure customer satisfaction, both initially and belatedly, through service recovery could lead to a decline in customer confidence, lost customers, negative word-of-mouth, possible negative publicity and the direct cost of re-performing the service (Berry and Parasuraman, 1992). In essence, the service firm's true test of commitment to service quality and customer satisfaction depends on how it responds after disconfirmation. Effective managerial responses depend, however, on effective research of the phenomenon. Unfortunately, several limitations in consumer complaint behavior research have been noted.

The explanation above suggested that the importance to firms of ensuring that if something goes wrong, then there is a mechanism in place to recover it. Of greatest importance in the service recovery process is the assurance that customers have a dedicated means by which they can express their dissatisfaction. A range of techniques must be used to ensure customers have adequate means by which they can register their views. ―Self-completion questionnaires‖ are the most commonly used of these as they are able to identify all potential problems. They may also be completed once the service has been received, either immediately or at a later date. However, if the latter option is taken and a complaint is registered, there is little an organization can do to recover the situation. Therefore a more customer-focused approach is required. Rather than to depend on the service recovery system, it's better to concentrate more on curbing the minus points in the service delivery process based on old proverb ―prevention is better than cure.

To ensure customers are satisfied, staff members can be selected to walk around the service area checking that all needs are being properly met. This ensures that customers can voice their dissatisfaction in an environment where the situation may be considered and rectified. It is here that a professional and efficient service recovery process operates. Successful service recovery strategies can restore customer satisfaction and can also influence other important organizational outcomes including loyalty, positive and negative word of mouth behavior, and profitability. Poorly executed service recovery tends to exacerbate customer dissatisfaction, may drive

customers to competing firms and, at the very least, encourages customers to badmouth the organization. (Ibd)

Customer Complaint Handling Procedure and Its Outcome: Most of the organizations in these days have treated customer handling procedure as a strategic marketing tool. Service providers are frequently exhorted to strive towards a ―zero defects‖ service; the ability to ―get it right first time‖ is thought to offer significant benefits to organizations in terms of both customer evaluations and costs of delivery (Schaefer and Christine, 2005). If any organization is striving for zero defects, they need not give that much importance for complaint handling sections. In practice, it is often difficult to imagine how service providers can attain such a goal, not least because of the inherent heterogeneity in service provision and limitations on the extent to which a provider can control the range of different interactions with customers. In general, customers are complaining with four major ideas like to get compensation, find expression for their anger, and help to improve the service and for unselfish reasons. Service organizations should build up the culture of straightforwardly to invite the complaints with a motive to improve the service and with selfless reasons. And at the same time, organizations should be cautious enough about the complaining nature of some consumers with an intention to demand compensation and spoil company image. Whatever the reason in the customer mind behind the complaining nature, that is irrelevant to the organization. Their main accountability is to genuinely solve the complaint and be successful in explaining the reasons for that in a convincing way. However service businesses in advance clearly recognize the various reasons behind the complaining nature of the market and should devise special strategies to give a legitimate reason. And another important element in this aspect, organizations has to develop complaint procedure with minimum of fuss. If customers are treating complaint procedure is too lengthy and clumsy, it will also affect the performance of entire organization. Thus, organizations should be very watchfully design the complaint procedure with minimum of paper work. Related to the outcome of the complaints, market has one strong notion i.e. result always in favor of organization whatever the problem, whoever the reason for that. The market is feeling that they are not treated fairly and far away for adequate justice. This kind of belief in the market is more dangerous for any business in the present day's highly cut-throat competitive business world. Therefore, while analyzing the complaints, service firms' complaint handling sections should be more vigilant in finding the legitimate reasons and also the responsibility to provide

ample justice to the customers' community. This class of legitimate judgment will give great confidence in the minds of customers while solving their indisputable problems and in turn increase the image of the firm. Finally, service firms should be better to realize the importance of complaint handling procedure and its outcome and also well again to bring into play this one as a strategic marketing tool to accomplish the benefits such as customer satisfaction, customer loyalty, favorable word-of-mouth publicity, and to decrease litigation.

2.2.2 Price Fairness

According to Kotler and Armstrong (2010) price is the amount of money charged for a product or service, sum of the values that customer exchange for benefits of having or using the product or service while Stanton, Micheal and Bruce (1994) define price as the amount of money or goods needed to acquire some combination of another goods and its companying services. Price fairness refers to consumers' assessment of whether a seller's price is reasonable, acceptable or justifiable (Xia et al., 2004; Kukar-kinney, Xia and Monroe, 2007) as cited by Rajasekhara. Price fairness is a very important issue that leads toward satisfaction. Therefore changing fair price helps to develop customer satisfaction and loyalty. Research has shown that customer's decision to accept particular price has a direct bearing at satisfaction level and loyalty and indirectly. In another study of Herrmann et al., (2007), it was concluded that customer satisfaction is directly influenced by price perception while indirectly through the perception of price fairness. The price fairness itself and the way it is fixed and offer have a great impact on satisfaction. According to Lommeruda and Sorgan (2003), as cited by Rajasekhara, 2010 telecommunication services are like undifferentiated product therefore, customers are not price sensitive all the times and sometimes brand loyalty takes part in brand preferences. This is the reason; some customers are retained with old monopolists.

2.2.3 Perceptions of Equity or Fairness

Did I get the same price? Did I treat other customers in the same way? Did the price match the service? These are a few common questions that can haunt customers. It is easy to satisfy a customer by offering him or her certain product or service, but it is more difficult to consistently maintain that satisfaction level. In order to achieve this objective an organization must focus on after sales services, such as service recovery.

Service recovery refers to the actions taken by an organization in response to a service failure (Gronroos, 1988) as cited by Al-Shuaib). The main reason customers switch is service failure and failed service recoveries. Therefore, in order to enhance customer satisfaction, build customer relationships, and prevent customer defections, an organization must have well executed service recoveries. Customers expect quick response, apology, and compensation in any service failure.

Therefore, it is essential for an organization to understand customer expectations and have a plan to implement a perfect solution for service recovery (Al-shuaib, 2010).

2.2.4 Other Customers, Family Members and coworkers

Other service users, such as family members, friends and coworkers, can affect customer satisfaction. Their perceptions, feedback, reaction, and expression of products and services play a significant role in customer satisfaction.

In the end it can be concluded that customer satisfaction is a broader concept than service quality as service focuses specifically on the dimensions of service (Zeithaml et al., 2006).

According to the literatures the role of quality service which includes (service interaction, service delivery process and compliant handling procedure) and price fairness are substantial for customer satisfaction. Therefore this study will also incorporate and evaluate these factors and their effects on customer satisfaction level of Ethio Telecom.

2.3 Mobile Service in Africa

According to the survey conducted by Tom Phillips, et al on African Mobile Observatory (2011), Driving Economic and Social Development through Mobile Services of 25 countries which contain 91% of the continent's mobile connections the mobile service of the continent are described as follows.

Table 2.1: Africa 25 and Total Mobile Connections (2011)

Country		Mobile subs.	Percentage of subs
Nigeria	NGA	89,343,017	14%
Egypt	EGY	80,616,921	13%
South Africa	ZAF	59,474,500	10%
Algeria	ALG	36,741,368	6%
Morocco	MAR	36,522,899	6%
Kenya	KEN	26,135,115	4%
Sudan	SDN	24,628,765	4%
Tanzania	TZA	23,334,395	4%
Ghana	GHA	20,049,412	3%
Cote d'Ivoire	CIV	17,991,035	3%
Uganda	UGA	14,754,199	2%
DR Congo	COD	14,098,685	2%
Tunisia	TUN	12,254,728	2%
Ethiopia	ETH	11,902,288	2%
Libya	LBY	11,158,560	2%
Angola	AGO	10,797,078	2%
Cameroon	CMR	10,658,991	2%
Mali	MLI	10,000,229	2%
Senegal	SEN	9,686,372	2%
Zimbabwe	ZWE	8,281,749	1%
Benin	BEN	7,996,577	1%
Mozambique	MOZ	7,750,845	1%
Burkina Faso	BFA	6,740,148	1%
Zambia	ZMB	6,544,630	1%
Madagascar	MDG	6,147,499	1%
Others		56,190,285	9%
Total		**619,800,290**	**100%**

Source: *African Mobile Observatory (2011)*

When we compare African total number of mobile connection with other region/continent it exceeds, both western and eastern Europe in 2010, according to African mobile observatory report.

In general in comparison to global connection of mobile service Africa become the second largest mobile market in the world, by overtaking the Latin American place and stood next to Asia Pacific.

According to Africa Mobile Observatory (2011) report, the significant growth in mobile subscribers in Africa has been driven by following factors:

- The opening of markets to the forces of globalization and foreign direct investment
- The introduction of low-cost handsets and the reduction of mobile usage prices, driving down the minimum cost of mobile ownership
- Substantial economic development in the region, increasing the prosperity of citizens and hence an increasing affordability of communication services
- The ambitious rollout of mobile network infrastructure by operators to expand geographic and population coverage combined with the lack of adequate fixed-line infrastructure and service

The above stated significant growth factors of mobile service are also holds for Ethiopia; for instance the introduction of low-cost handsets and the reduction of mobile usage prices, driving down the minimum cost of mobile ownership and Substantial economic development in the country, increasing the prosperity of citizens and hence an increasing affordability of communication services.

Despite increase in total number of mobile connection and mobile market in the continent the disparity in mobile penetration rates across the countries and the region is significantly very high. Mobile penetration rates across African countries from 170% in Libya to just 4% in Eretria and 10% in Ethiopia according to African mobile Observatory report.

Interestingly, many of the most populous countries in Africa also have a lower than average penetration rate. In the top 10 most populous countries, there are around 300 million people without a mobile connection. (Tom Phillips, 2009)

2.3.1 Competitive Intensity of Mobile Service in Africa

Competition in the African mobile market is increasingly intense. There are 8 countries in the A25 with 5 or more mobile operators. Nigeria has the highest number of licensed operators in one market with 9.

Few true monopolies remain across the continent, with Ethio-Mobile in Ethiopia the only government owned telecom operator in the continent.

When we see, Ethiopian mobile service competitiveness in comparison to African countries like Kenya and Tanzania the Easter African countries and the most advanced country of the continent South Africa. It is presented as follows;

Kenya: The mobile sector has witnessed rapid growth, particularly with the licensing of two new operators in 2008 (Kenya ICT Sector Performance Review 2009/2010).

Kenya's mobile subscribers increasing with different operators though there is slight drop in 2007, whereas in the neighboring country Ethiopia's is increasing sharply though the telecom operator is sole and public/governmental.

In Kenya there are four telecom operators in the market as it is indicated in below table where as the Ethiopian telecom sector is monopoly.

Table 2.2: Mobile Subscribers

Operator	Safaricom	Zain	Orange Kenya	Essar Telecom Kenya (Yu)	Total in million	Total % increment
June 2009	13.36 m	3 m	1 m	0.4m	17.4	6.4%
2008	11.956m	2.741m*	0.4m	n/a	16.70	56%
2007	7.956m	2.741m	n/a	n/a	10.70	66%
2006	4.3m	2.14m	n/a	n/a	6.44	40%
2005	2.5m	2.1m	n/a	n/a	4.6	-

Source: Kenya ICT Sector Performance Review 2009/2010(Safaricom annual reports and press releases from Zain, Orange Kenya and Essar.) (*)Likely inaccuracy.

Table 2.3: Mobile Penetration and Coverage

Indicator	2005/6	2006/7	2007/08	2008/09
Mobile Penetration (%)	15.74	21.62	30.51	43.64
Population coverage (%)	-	-	82	83
Land Coverage (%)	-	-	31	32

Source: Kenya ICT Sector Performance Review 2009/2010

The increase in mobile penetration can be attributed to the competitive effects resulting from the increased number of mobile operators, increased mobile coverage and availability of low denomination calling cards from both.

But in Ethiopia since mobile operator is a monopoly there is no competiveness that is why the mobile penetration rate is among the lowest in the content. Even in comparison to Kenya the

neighboring country the penetration rate very low, where the Kenyan mobile penetration rate is 43.64%, Ethiopian penetration rate is only 10%.

Tanzania: Mobile telephone service has been liberalized since its introduction in Tanzania. There are seven active operators TTCL, Zantel, Vodacom, Zain, Tigo, BoL and Sasatel, and two new applicants. (*Tanzania ICT Sector Performance Review, 2010*)

South Africa: The market has three mobile operators but is essentially dominated by the two incumbents. Mobile market dynamics have not changed significantly in the past two years, with Vodacom in the lead followed by MTN.

All three mobile operators have been competing aggressively by offering various air time promotions, including successful zone pricing discounts and flat rates on regional roaming where prices are determined on the basis of real-time traffic assessment within a particular cell. They also provide various unique and common value-added services, such as zone pricing, flat rates on regional roaming, airtime promotions and sales of smart-phones. *(South Africa ICT Sector Performance Review, 2010)*

However the Ethiopian mobile service like all this most of the valued added service and the advantage derived from completion in the sector.

Interestingly, South African mobile operators are indicating penetration rates of 100% but that of Ethiopia is only 10%.

Therefore, from this it can be generalized that having different operators in the market is a critical factor for the increment of penetration rate and gaining different value added service and efficiency.

2.4 Background of Telecommunication in Ethiopia

The introduction of telecommunication in Ethiopia dates back to 1894. Ethiopian Telecommunications Corporation is the oldest public telecommunications operator in Africa. In those years, the technological scheme contributed to the integration of the Ethiopian society when the extensive open wire line system was laid out linking the capital with all the important administrative cities of the country.

After the end of the war against Italy, during which telecommunication network was destroyed, Ethiopia re-organized the Telephone, Telegraph and Postal services in 1941. In 1952 the

Imperial Board of Telecommunications (IBTE) was established by proclamation No. 131/52 in 1952. The Board had full financial and administrative autonomy and was in charge of the provision and expansion of telecommunications services in Ethiopia.

The Imperial Board of Telecommunications of Ethiopia, which became the Ethiopian Telecommunications Authority in 1981, was placed in charge of both the operation and regulation of telecommunication services in the wake of the market reforms. In 1996, the Government established a separate regulatory body, the Ethiopian Telecommunication Agency (ETA) by Proclamation 49/1996, and during the same year, by regulation 10/1996, the Council of Ministers set up the Ethiopian Telecommunications Corporation (ETC).

Under the supervision of the ETA, the principal duty of ETC is maintaining and expanding telecommunication services in the country and providing domestic and international telephone, telex, and other communication services. In this respect, currently ETC is the only operator of any telecommunication related service (Worku, 2005).

The former Ethiopian telecommunication corporation, which is now getting new name, ethio telecom starting from December 2010 as sole telecom operator of the company is the only provider of all telecom service in the country.

2.4.1 Telecommunication in Ethiopia

Ethiopia is one of the countries that face limited territorial coverage of mobile and fixed services and lag behind the rest of Africa in terms of the introduction of state-of-the-art services such as mobile banking. The communications market comprises fixed, mobile and Internet services segments. The wireless infrastructure comprises Broadband Fixed Wireless Access (BFWA), Global System for Mobile (GSM), Code Division Multiple Access (CDMA) and Wideband Code Division Multiple Access (WCDMA) (*Ethiopia ICT Sector Performance Review 2009/2010).*

Ethiopia's communications market is far behind the global average. Fixed-line teledensity stands at 1.14%. Although the number of mobile subscribers has doubled in 2009, mobile teledensity jumping from 2.5% to 5% over this period, this is too low when compared to the global mobile subscription average, which was 67% in 2009.

Internet subscription has seen substantial growth between 2007 and 2009. The number of Internet subscribers' stands at 71,059, representing about 0.09% of the population. While Internet access has improved, with mobile broadband and the availability of cyber cafés

throughout major towns, the unreliability of the network has been the major setback to improved usage. It is estimated that about 500,000 Ethiopians (0.6% of the population) use the Internet, which is one of the lowest rates in the world.

Comparative analysis of the communications market in Ethiopia with neighboring countries like Kenya and Sudan shows that Ethiopia lags far behind its neighbors and is unlikely to catch up with the rest of the world unless it develops competitive policies that stimulate sector growth.

Table 2.4: Communications Market Gap between Ethiopia and Neighboring Countries

	Ethiopia	Kenya	Sudan
Mobile (2008)	3%	39%	30%
Internet Users (2009)	360,000	3,360,000	3,800,000
Broadband penetration(2008)	.0005%	0.01%	0.02%
Driver of Universal Access	incumbent	CCK	NTC
Regulator	Partially independent	Fully independent	Partially independent

Source; Ethiopia ICT Sector Performance Review 2009/2010

2.4.2 Mobile Service in Ethiopia

 The provision of the service has begun in 1999 with a capacity of 36,000 lines in Addis Ababa. By the end of December 2004, the number of subscribers reached about 207,000 (Worku, 2005). From 1999 to 2006, a lot has changed in cell phone services here in Ethiopia. When cell phones were first introduced in Ethiopia, all subscribers had to visit the ETC main office to register, where they received their SIM card and their apparatus (the handset/phone). During this time, all subscribers had identical handsets because there was no choice; everyone had the same Erickson handset because ETC only provided its subscribers with one kind of handset. Because of this, there was no demand to have cell phone stores selling handsets because ETC's mobile phone service could only be obtained through the handsets they provided. As soon as they allowed customers to buy their own handsets, a number of cell phone service centers mushroomed and continue to mushroom in many urban parts of Ethiopia.

From 1999 – 2003, all subscribers only received postpaid mobile services, meaning that at the end of each month, they received a monthly bill. This service was only limited to the people that could prove they can afford to pay a phone bill; not everyone was approved to register and obtain the postpaid service. The option of prepaid mobile services was introduced in 2003, allowing customers to register and buy prepaid cards and use it according to his/her capacity and need; this opened doors to all kinds of customers. This prepaid service is commonly used in all parts of

Africa as it allows the customers to control their spending. The proportion of post-paid subscribers has declined in recent years, with the majority of the subscribers opting for pre-paid. Pre-paid subscribers account for 98.6% of total mobile subscribers *(Adam, 2009).*

Nowadays, customers can choose between postpaid and prepaid mobile services; with postpaid, there are some regulations that need to be followed. The customer needs to prove their ability to support their monthly bill. Quite commonly, a service request letter from an employer (organizations/offices) and a guarantee letter of subscription are needed for the postpaid service to be provided.

Notwithstanding recent improvements, mobile coverage is still very low in Ethiopia. The signal does not reach most rural areas except for the main roads fanning out from the capital Addis Ababa.

The switching capacity of the mobile network in 2009 was 4,808,248, of which 4,051,703 lines were subscribed. This implies that 84% of the total circuit has already been used. Mobile radio coverage and quality is generally uneven across the country, with the capital Addis Ababa the most connected, and some regions, such as Southern Nations and Nationalities People (SNNP) and Benshagul-Gumuz, barely connected with only about 1% population coverage. This has been a significant barrier to universal access to voice and broadband communication. However, mobile subscription has been growing steadily and making up for the lack of adequate fixed lines access in Ethiopia (table 2.4).

Figure 2.1: Mobile Subscription
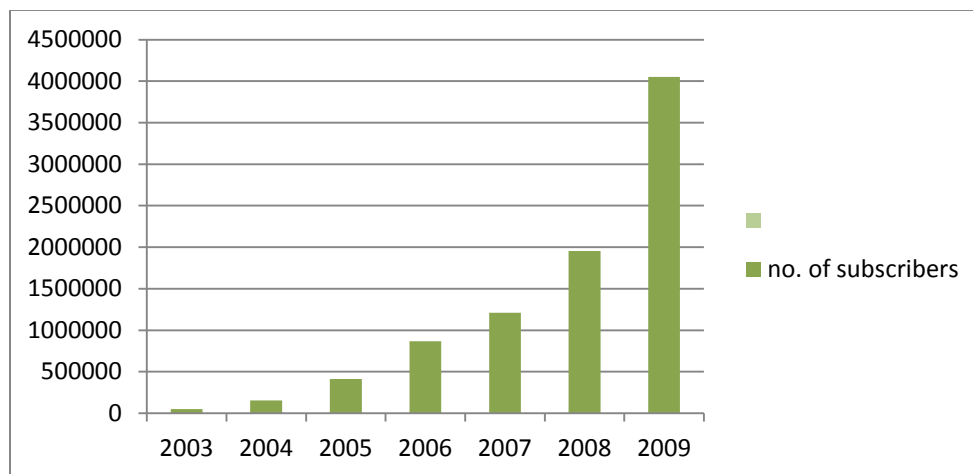
Source: Ethiopian Telecommunications Corporation, Annual Statistical Bulletin 2008/2009

Mobile teledensity, which was 6% in 2009, is far from its planned ten million subscribers by 2010. Although current penetration remains high by local standards, it is very low when compared to progress in other countries. Ethiopia has trailed its neighbours by a large margin when it comes to mobile penetration. The number of SIM cards sold in Ethiopia is 10 times lower than in neighboring countries such as Kenya and Sudan. SIM cards are generally in short supply in areas outside of the capital. There have always been long queues to obtain SIM cards each time the ETC announces their availability.

According to media briefing by COE of ethio telecom (formerly Ethiopia Telecom Corporation) on operational and financial result of its fiscal year ended 30 June 2012; ethio telecom total mobile subscriber base reached 17.26 million users at the end of June, with monthly net additions running at an average of 450,000 per month over the past year. Taken overall, Ethio Telecom reported 18.28 million subscribers, up 59% year-on-year, including 805,000 fixed lines in service and 221,000 internet/data connections. In addition the company has 2.44 million people regularly using its General Packet Radio Service is a packet (GPRS).

2.4.2.1 Mobile Pricing in Ethiopia

The upgrade of network Mobile to mobile call charges stand at about 0.83 Birr (US$0.06) per minute including tax – some of the lowest in the world. The mobile tariff structure emulates that of fixed-line tariffs; therefore no uniform national tariff is used as in other countries.

In addition, the ETC adds a compulsory charge of US$1.87 per month to maintain the mobile service.

Those who could not pay within the specified period are disconnected and expected to pay US$2 for reconnection. (ETC Annual Statistical Bulletin, 2008/2009).

Table 2.5: Mobile Tariff as of December 2009

	Prices
Postpaid subscription	Birr 414 (US$31)
Pre-paid subscription	Birr 169 (US$13)
Pre-paid monthly compulsory recharge	Birr 25 (US$1.87)
	Mobile to Mobile local peak Birr 0.83 (US$0.06) per minute Mobile to mobile within different tariff zones Birr 1.725 ($0.12)

Call tariff	Mobile to Mobile local off-peak (between 20:00 to 24:00_ Birr 0.345 ($0.03) per minute
	Mobile to mobile within different tariff zones Birr 1.44 ($0.11) Mobile to Mobile local tariff off-peak (between 24:00 -6:00) Birr 0.196 (US$0.02) per minute
	Mobile to mobile between different time zones Birr 0.83 (US$0.06) Mobile to fixed line 0.83 Birr/minute (US$0.06 /minute] with same tariff zones 1.50 Birr/minute ($0.20/minute) between different tariff zones
	International Birr 11.5 ($0.9) per minute

Source: Ethiopian Telecommunications Corporation, Annual Statistical Bulletin 2008/2009

Ethio telecom now introduces mobile tariff structure which is segmented into two parts for residential customers and for enterprise customers, starting from the year 2011. Accordingly the mobile tariff structure for both residential and enterprise customer is shown in the Table-2.6 & 2.7.

Table 2.6: Mobile Tariff Structure for Residential Customers

Post paid	Prices
Postpaid connection fee	Birr 165
Change of prepaid to post paid	100
Renewal(Without SIM card)	Birr 115
Renewal(with SIM card)	Birr 160
Replacement	Birr 45.00
Minimum initial deposit	Birr 1000
Pre-paid	
Initial Subscription	45.00*
Renewal/Reconnection	45.00
Change of subscriber name	45.00
SIM Card Replacement	30.00
Change from postpaid to prepaid	45.00
Call tariff	local peak hours (between 7am to 9pm, except for Sunday and public holiday Birr 0.83 per minute)

	local off-peak hours (between 9:00pm to 7:00 +Sunday + public holiday Birr 0.35 per minute)
	International: Birr 12.33 per minute except for Djibouti which is 8.88 per minute
SMS	Local SMS 0.35,international SMS 4.37 (Djibouti) and 6.10 (rest of the world)

Source: http://www.ethiotelecom.et/products/residential-tariff.php *(November 06, 2012)*

Table 2.7: mobile Tariff Structure for Enterprise Customers

Post paid	Price
Initial Subscription	139.13
Renewal(Without SIM card)	Birr 100
Renewal(with SIM card)	Birr 139.13
SIM Replacement	Birr 39.00
Monthly rent	Birr 25.00
Change from postpaid to prepaid	52.00
Change from prepaid to post paid	87.00
Call tariff	• local peak hours (between 7am to 9pm, except for Sunday and public holiday Birr 0.72 per minute) • local off-peak hours (between 9:00pm to 7:00 +Sunday + public holiday Birr 0.30 per minute) • International Birr 10.72 per minute except for Djibouti which is 7.72 per minute
SMS	• Local SMS 0.30 • International SMS 3.80 (Djibouti) and 5.30 (rest of the world)

Source: http://www.ethiotelecom.et/products/enterprise-tariff.php *(November 06, 2012)*

From the above tables mobile service charge for both type of customers (residential and enterprise) has shown an improvement which one way of listing to customers requirement.

2.5 Conceptual Framework

2.5.1 Service Quality

Quality of service has become the priority both to manufacturers and service providers in today's customer-centered era. In other words, delivering service quality is recognized so important that businesses not only require it for success but in some cases, for survival. Thus achieving and maintaining customer-perceived service quality is regarded as essential strategy for the successful provision of overall customer satisfaction and customer retention (Rakshit, 2009).

Service quality as "a critical element of customer perceptions and it will be the dominant element in customers" evaluations" Zeithaml et al. (2006) as it is cited by (Siew-Phaik etal, 2011). According to Lewis and Booms (1983) "service quality is a measure of the degree to which the service delivered matches customer expectations." In other words, it is a kind of comparison between the service offered and customer expectations of those services (Al-shuaib, 2010).

There are many dimensions to service quality and over the years authors have expounded on this topic. Al-shuaib Study identifies the following 18 dimensions of service quality: access, contents, attentiveness, availability, care, cleanliness/tidiness, comfort, commitment, communication, competence, courtesy, flexibility, friendliness, functionality, integrity, reliability, responsiveness, and security. A study by Parasuraman et al. (1985) indicates that tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding the customer, and access create the ten dimensions of service quality. Later, Parasuraman et al. (1988) reduce this list to five dimensions, which are used by customers to evaluate service quality. These dimensions can be summarized in the following way: (Al-shuaib, 2010).
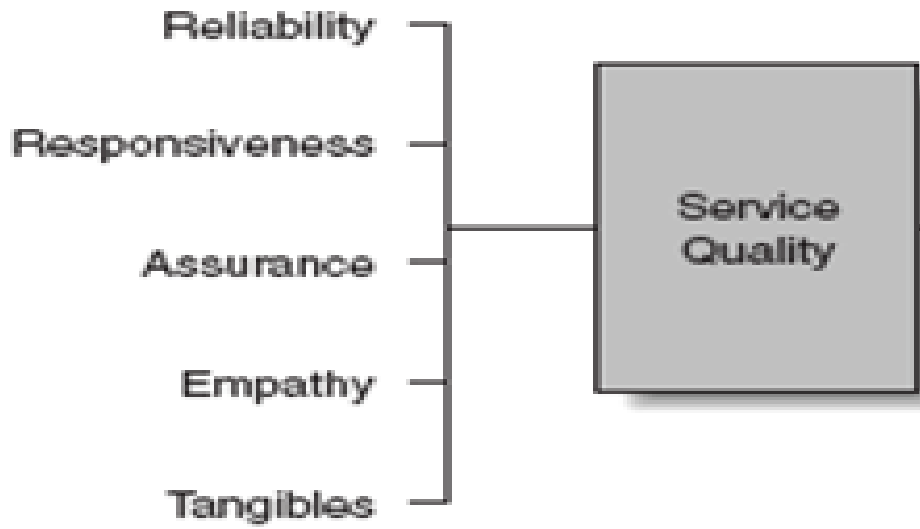
Source: Mohammad Al-shuaib, 2010

- **Reliability**: It is the ability to perform the promised services that can also be called delivery of   promise and it is the significant element in the service quality. It can be called delivery of promises.

- **Responsiveness:** This dimension identifies how quickly an organization is able to provide assistance, answer questions, or pay attention to the problems that customers present. In brief, it is the willingness of an organization to help and provide quick service to customers.

  - **Assurance:** Assurance depends on employee knowledge and courtesy, including their ability to gain trust and confidence. This dimension is essential in environments where customers need to share personal information, for example in fields of banking, insurance, and mobile telecommunication.

  - **Empathy:** This dimension identifies how employees pay attention and care for individual customers. In other words, it refers to how the service provider shows sympathy and understanding to customers problems.

  - **Tangible:** The tangible dimension can be used as an important element affecting customer behavior and attitude. The environment in which services are delivered can

---

affect customer feelings regarding that service. Moreover, this dimension includes all the physical components such as equipment, communication material, facilities and appearance that will create conducive ambiance for the customers (ibd).

When we see the subject matter of this research the regarding service quality it is the low in most of sub Saharan Africa in general and particularly in Ethiopia. According to (Adam, 2012) Ethiopia is ranked 130th with the score of 2.85 among 142 countries in the world economic forum's Network readiness index 2012. In 2011 the country ranked 123rd among 138 countries. The figure shows where the service quality of ethio telecom reached in general and the mobile service of the company in particular.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

This section focuses on the research techniques employed in this study. It consists of research design, sample and sampling techniques, sources and tools data collection, procedure of data collection and method of data analysis.

3.1 Research Design

The purpose of this chapter is to present, discuss and argue for our choices made in designing the research framework of this study.

A research design provides a framework for the collection and analysis of data. The type of research is qualitative and quantitative, mixed research design to recognize factors affecting customer satisfaction level in mobile service usage of ethio telecom. The reason of using a mixed research is that having data in regarding this topic is difficult (there is no organized secondary data in the company) little research is done in the area. Hence, the study focused in collecting reliable and firsthand information through questionnaires and interview.

3.2 Sample and Sampling Techniques

Sampling is the selection of a fraction of the total number of unites of interest to decision makers for the ultimate purpose of being able to draw general conclusions about the entire body of units. The study used both probability and non-probability sampling techniques. Probability sampling techniques were used for ethio telecom staffs and non-probability sampling techniques were used for the service users /customers. This technique chosen because the total numbers of population users are unknown and it is actually impossible to carry on a probability sampling because there is no point in time during which all the customers/subscribers are around due to variation in programs of visiting ethio telecom shops to collect data without bias. Number of customers is unknown because there are customers using mobile service in Addis Ababa coming from regions and vice versa, due this knowing exact number of Addis Ababa mobile service usage is difficult.

A structured questionnaire, covering SERVQUAL dimensions of tangible, reliability, assurance, empathy, responsiveness, and additional dimensions of network quality and convenience, was used to measure mobile phone users' perception about service quality. For this research purpose 350 questionnaires were distributed out of which 333 were collected and personal interview is

also conducted with the management of the company with job level   N-3 and N-4. The representativeness of sample size used by this study is adopted from THOMSON **(2004)** for which he carried out a review of fifty research articles accessed using Proquest ABI Inform, with the search parameter grounded theory in citation and abstract, and found sample sizes ranging from 5 to 350 is acceptable; as cited by *Mark Mason in Sample Size and Saturation in PhD Studies Using Qualitative Interviews*. Questionnaire prepared in conducting this study is of two type; which were distributed to mobile service subscribers and front desk employees of the operator. As it is mentioned earlier the informants/respondents are divided into two groups; these were mobile customers/subscribers and front desk employees of ethio telecom. In the first group 300 questionnaires were distributed to mobile service customers using non probability convenience sampling method, of which 296 questionnaires were successfully collected. In the second group about 50 questionnaires were distributed to front desk employees of the company to fill the questionnaire using stratified sampling method where 37 questionnaires were returned. In distributing the questionnaire the study used three stratums (zonal offices of the operator); from each stratum 20 employees from east Addis Ababa zone, 13 from north Addis Ababa zone and 17 employees from central Addis Ababa zone were contacted. Of which from 16, 9 and 15 respondents of east Addis Ababa zone, north Addis Ababa zone and Central Addis Ababa zone respectively successfully returned the questionnaire. For interview purpose 6 manages of marketing and sales with job grades N-3 and N-4 position employees were selected for the semi structured interview.

Response Rate: Out of the three hundred fifty questionnaires that were administered, three hundred and thirty three (333) constituting 95.1% response rates were collected. Out of this, 296 were mobile customers of Company and 37 are front desk employee of the company. These numbers were adequate since a minimum sample of 5- 350 is acceptable according Thomson, (2004).

3.3 Source and Tools of Data Collection

In this research, both primary and secondary data sources were used. Primary data were carefully collected from the respondents through questionnaires, and interviews. Whereas the secondary data source were collected from different documents of Ethio Telecom , magazines prepared by

the company, company's web site, other research material related to the thesis topic and internet sources.

3.4 Procedure of Data Collection

A self-administered, structured questionnaire (Appendix I & II) and interview (Appendix III) was used to collect data from respondents. The questions sought respondents' feelings about factors affecting customer satisfaction and overall customer satisfactions. In this research, both qualitative and quantitative data are carefully collected from the respondents with the aid of questioners and interviews**.**

Two different questionnaires will be designed.

In this questionnaires all mobile service users(subscribers) within Addis Ababa city and front desk employee at marketing and sales department of three zonal offices of ethio telecom (North Addis Ababa Zone, Central Addis Ababa zone, & East Addis Ababa zone) who provide the service directly to the customer will be treated as the population of this study.

- The first questionnaire was for the customers, who received services from the organization.
- The second questionnaire was for front desk employees of ethio telecom who have direct contact with the customers in the service stations.

Testing of questionnaires:

 The questionnaire is tested to identify whether the questionnaire is able to capture the required data as expected by the researchers. The test was conducted mainly to find out whether our questionnaire was easily-understandable as well as whether there were any vague and confusing questions in the questionnaire. Fifteen (15) customers and 10 front desk employees were approached to answer the questionnaire. This small size was guided by the suggestion of (Saunders et al 2007) that the minimum of ten (10) members for pre-testing is adequate.

Semi Structured Interview

Semi structured interview conducted with selected management members (management position N-3 and N-4 according to ethio telecom structure) in sales and marketing department to triangulate data obtained from two questionnaires (primary sources).

3.5 Method of Data Analysis

The respondents were asked to appraise about their feeling or emotional feelings regarding the satisfaction in using and getting mobile services. Self-administered questionnaire was used to solicit factual responses. Data obtained in this regard were summarized and analyzed; through Descriptive statistical tools and percentages will be employed to facilitate the analysis and its presentation. Also the qualitative data collected from the interview, observation and documents was described by using qualitative analysis.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

This chapter deals with character of the respondents, presentation, analysis and interpretations of the data on factors affecting customer satisfaction in mobile service at ethio telecom Addis Ababa.

The data were gathered through questionnaires, interview and reviewed documents. Fifty questionnaires were distributed to front desk staff members of the Ethio Telecom Central Addis Ababa zone, East Addis Ababa zone, north Addis Ababa zone and south west Addis Ababa zone out of which 37 responded. Additionally, 300 questionnaires were distributed to customers of Ethio telecom out of which 296 filled up and returned. Some of the sample centers of the organizations were observed by the researcher. Relevant document have been reviewed. Thus, the whole data and analysis has been presented in three sections of this chapter.

The first section presents the data about the customers, employees and managements perception of the mobile service delivery. The second part presents the factors and variables factors affecting customer satisfaction in Ethio Telecom in general and the mobile telephone service delivery in particular. The third part deals with the problems, which affects the services delivery.

4.1. Respondents Perception of the Mobile Service Delivery

Customers, employees and management members were requested to express their perceptions about factors affecting customer satisfaction in mobile service at Ethio Telecom. The respondents expressed quite contradictory views for some of the questions while they shared the same opinions for some of the problems. Before we directly go to the perception of the customers, employees and the management, let's have a look at the type of customers who have participated in the research.

Table 4.1: Type of Customer

SN	Type of customer/subscribers	# of customer	percentage
1	10 years and more	40	13.51
2	5 to 10 years	136	45.95
3	3 to 5 years	88	29.73
4	1 to 3 years	20	6.76
5	Less than year	12	4.05
	Total	296	100

Source: Own survey, 2012

As shown in the Table 4.1 above out of the 296 customers who have participated in the survey, 136 (45.95%) are subscribers/customers ethio telecom, former Ethiopian telecommunication corporation for 5 to 10 years. while 88 (29.73%) of the customers are subscribers for 3 to 5 years, 40 (13.51%) are subscribers for more than 10 years and the other 20(6.76%) and (4.05%) are subscribers for 1 to 3 and less than a year respectively. The basis of respondent selection is that which category of subscribers can provide better information than the others. Accordingly customers with service usage year 5 to 10 is first priority because they are many in numbers and has also experience of both type of networks Nokia and the existing ZTE.

4.2 Problems Faced by Customers

According to Ismail and Yusof (2009) service quality is a comparison between customer expectation and their perception of the service they actually received.

Accordingly a problem in a given service implies a gap between expectation and actual receipt of a service. In order to check the gap between customers' expectation and the service they have received they are requested to respond whether they have faced a problem with the mobile telephone service or not.

Table 4.2 Number of Subscribers Facing Problems with the Service Usage

Face problems with mobile service	# of subscribers	Percentage
Yes	250	84.46
No	46	15.54
Total	296	100

Source: Own survey, 2012

As it is clearly stated in the above Table 4.2, a vast majority of customers, nearly 85% have experienced problems in mobile telephone service delivery. Only 46 (15.54%) of the respondents have responded that they did not face any problem. This implies that around 85% of the subscribers have found the service they are provided with to have a problem.

Ethio telecom front desks Employees are also asked whether customers have expressed their dissatisfaction with the mobile telephone service usage and delivery and they have confirmed that customers have expressed their dissatisfaction with mobile service provision.

Table 4.3: Number of Front Desk Employees who Acknowledge Customer's Dissatisfaction on Mobile Service Provision.

Customers reveal their dissatisfaction or any compliant	# of respondent	Percentage
Yes	32	86.49
No	5	13.51
Total	37	100

Source: Own survey, 2012

Similarly, the great majority of front desk employee respondents, 32 (86.49%), believe that customers approached them to express their dissatisfaction or complaints. In the same fashion during the interview with the management of the company it is also confirmed the existence of customer dissatisfaction not only in the mobile service delivery but also in the general services provision by Ethio Telecom, even though there are some improvements.

From Tables 4.2 and 4.3 we can infer that the quality of the mobile service provision is not matching the customers' value according to both types of respondents. This implies according to

both type of respondents customers are highly dissatisfied with mobile service provision of ethio telecom.

4.2.1. Major Types of Problems

Table 4.4 Types of Problems

Types of Problems	Number	Percentage
The network not good/unable to connect instantly	228	77.03
Customer handling is not up to expectation/poor customer handling procedure/	160	54.05
Mobile service bill is not clear and accurate/acceptable	168	56.76
Value does not match with service	180	60.81
Price of subscription and replacement is unaffordable	64	21.62

Source: Own survey, 2012

Here note that in the above table numbers of respondents are greater than the sample size of the researcher because one respondent may select more than one choice. Among the problems indicated by customers (see table 4.4.), network problem takes the first place which is 228 (77.03%) of customers/subscribers. The next problem emphasized by 180 (60.81%) of customers is service provided/delivered doesn't match with their expectation. While the other problem like unclear and inaccurate billing system and poor customer handling procedure comprise 168 (56.76%) and 160 (54.05%) of subscribers response respectively. unaffordability of subscription and SIM card replacement price are also a problem according to 64 (21.62%) subscribers.

From this it can be inferred that service provision is affected by different factors so that the existence of all these factors are the indication poor quality service. And company's failure to react for customers request/need and service provision is not customer oriented.

4.2.1.1 Internal Problems of the Company

Table 4.5 Ethio Telecom Internal Problems

Internal problems		
Ethio telecom has internal/administrative problems	# of respondents	Percentage
Yes	190	64.19
No	73	24.66
I don't know	33	11.15
Total	296	100
Types of internal problems			
Problem	# of respondents	Percentage	Rank
Employees Lack of courtesy	188	63.51	2
Customer handling is not good	204	68.92	1
There is corruption in mobile service delivery	76	25.68	4
Employees are not always available on their respective duty	88	29.73	3

Source: Own survey, 2012

From the above table 4.5, out of the 296 customers, 64.19% are perceive that Ethio Telecom has internal problems in provision of the services and 24.66% of the respondent customers consider that in ethio telecom is no problem in service delivery. The other 33 (11.15%) subscribers don't know whether there is problem or not in the service provision.

The Table also identifies the type of administrative problems, the number of customers that claim to have the specified form of administrative problem, and their percentage out of the total number of respondents. The last column gives the rank with relative severity.

Here also like table 4.4 above number of respondents are greater than sample size of the research because again one respondent may select more than one choice. From the above table, poor customer handling by the service provider is rated being the top internal problem which is 204 (68.92% and followed by employees lack of courtesy which comprises 188(63.51%). Corruption in mobile service delivery and unavailability of employees in their respective duty are found to be the least internal problems. Therefore, the existence of administrative problem which can be solved internally by the company is the other factors that dissatisfy customers in mobile service provision.

4.3 Customers' Compliant

From front desk employees point of view compliant on the mobile service delivery is the other problem that affects subscribers' service usage. Table below shows the rate of customers compliant on the service as indicated below:

Table: 4.6 Rates and Trend of Customers Compliant

Rate Customer compliant			Trend of customer complaint		
	# of respondents	Percentage		# of respondents	Percentage
High	15	40.54	Increasing	19	51.35%
Moderate	17	45.95	Decreasing	9	24.32%
Low	2	5.41	Constant	9	24.32%
Constant	3	8.10			

Source: Own survey, 2012

According to the above table 17 (45.95%) of front desk employees respondents rate of the compliant of subscribers on the service is moderate whereas according to 15 (40.54%) of respondents the rate of compliant is high. 2 (5.41%) of the respondents rate the compliant of the service is low. In general from the above table we can infer that the service delivery of the company is full of compliant, even though the rate is moderate. In the same way the trends of customer compliant is given in the table below.

As it is shown in the above table again 19 (51.35%) of front desk employees responded that the trend of customers' compliant is increasing from time to time while 9 (24.32%) each of the respondents express the trend of customers compliant is decreasing and constant.

The respondents who favor the trend of customers compliant is increasing was also asked to respond on factors that are contributing for the increment of the complaints. Accordingly, factors contributing for the increment of the complaint of the customers are:

- Poor quality network
- High tariff on mobile service usage and unfair subscription and replacement charge of SIM card price

- Increasing awareness of the community in mobile service makes customers to demand more value added service which is not being offered up to expectation; even the existing value added service does not satisfy the customers.

- The company now a day is selling and developing more service on GSM mobile service, however, it couldn't work on the quality of the services and it consistencies.

- Dissatisfaction of some portion of employee that result in low commitment.

- An ever increase in number of subscribers and in reverse limited network expansion and enhancement.

- Repetitive optical fiber cut especially at the main get ways.

- Absence of physical compliant handling section (the company only uses call centers as compliant handling)

As the interview conducted with the management of the company, the customers handling it is requested that whether the company has customers compliant handling center; the only customer handling center of the company is call centers i.e. 997 and 994. The effectiveness of this customer handling center/call centers of the company is given the below table.

Though the compliant on service is increasing from time to time numbers of subscribers are also increasing sharply. From the table below and graph we can see that the number of subscribers is increasing yearly by folds.

Table: 4.7 Numbers of Mobile Subscribers

Years	Numbers of subscribers	Annual increment
2001	27,535	-
2002	42,910	15,375
20003	51,234	8,324
2004	155,534	104,300
2005	410,630	255,096
2006	866,700	4560,070
207	1,208,490	341,790
2008	1,954,520	746,030
2009	4,051,700	2,097,180
2010	6,677,900	2,626,200
2011	10,526,100	3,848,200
2012	17,257,400	6,731,300

Source: ethio telecom, annual report 2012

For example from 2003 to 2004 the number of subscribers increased from 51,234 subscribers' to155, 534 this means it registers the increment of 203.57 percent. Even recently after the transformation of the company from Ethiopian Telecommunication Corporation to ethio telecom, with in two fiscal years the number of subscribers sharply increased from 6,677,900 to 17,257,400, which shows increment of 158 percent. So that in general as it has been mentioned respondents put an ever increase in the numbers of subscribers as the reason for increment of compliant.
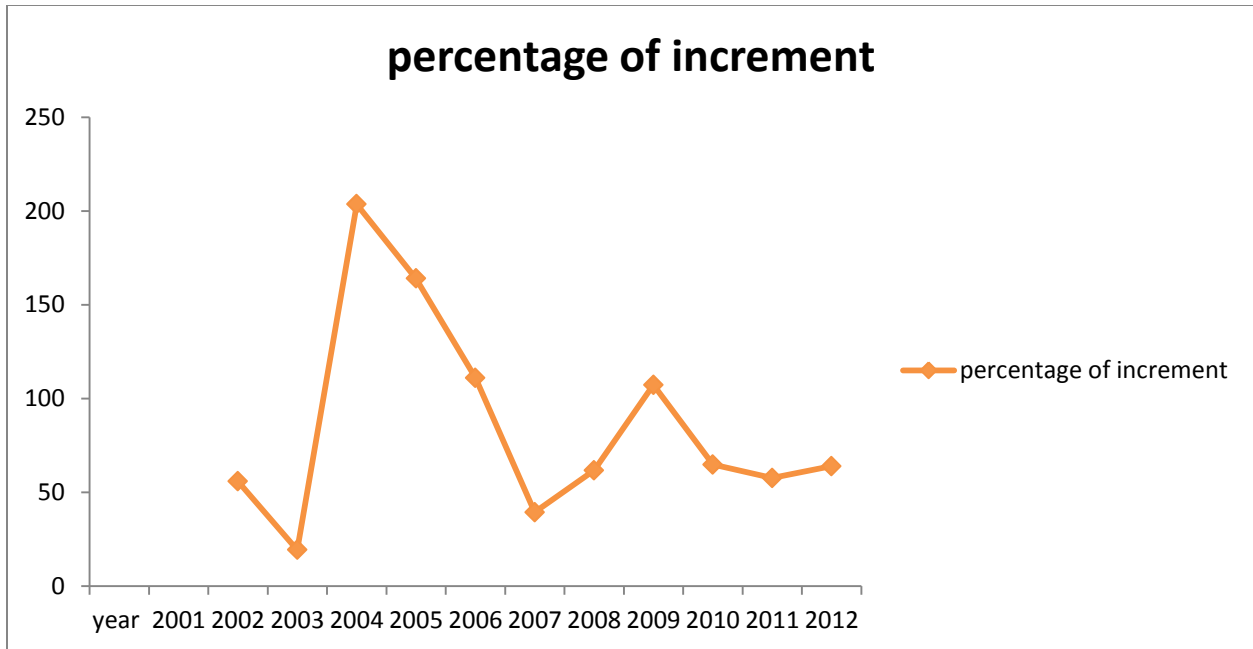
Figure: 4.1 Yearly Percentage Increments of Mobile Service Subscribers

From the above tables and graph though compliant on service usage is increasing from time to time due to factors mentioned above number of customers/subscribers are increasing. This is the indication of high demand for the service; hence the company is not fail to providing quality service only it is not satisfy the demand of customers in subscription.

Table: 4.8 Call Centers Effectiveness in Resolving Customer Compliant is Given as Follows

Effectiveness of call center in resolving customer compliant	Number of respondents	Percentage
High	5	13.51%
Low	24	64.86%
Constant	8	21.63%
Total	**37**	**100**

Source: Own survey, 2012

Again according to front desk employees of the company the effectiveness of call centers in resolving customer compliant it is poor. While 24(64.86%) of the respondents responded the effectiveness of the center is low and the effectiveness of the center by 8 (21.63%) and 5 (13.51%) respondents are constant and high respectively.

4.3.1 Customers' Compliant Handling

The rate at which the organization responds to their customers is one of the critical factors in adding value to the company as well as to the subscribers/customers too. Fast and timely response to the customers is the modern type of business which adds high value to both parties. Accordingly the front desk employees of the company responded on whether the complaints of the customers are solved timely or not; as indicated in the table below.

Table: 4.9 Customers' Complaints are Solved Timely

Customers' complaints are solved timely	# of respondents	Percentage
Yes	9	24.32
No	28	75.68
Total	37	100

Source: Own survey, 2012

From the table we can see that 9 (24.32%) of the respondents responded that customers complaints are resolved timely while the rest of the respondents 28 (75.68%); stated that the compliant is not solved timely. From this we can conclude that inability of resolving of customers complaints timely is also one of the main problems of mobile service delivery.

4.4 Factors that Affect Customer Satisfaction

Quality has a direct impact on product performance and hence on customer satisfaction.
Satisfaction is the state felt by a person who has experienced a performance or outcome that has fulfilled his or her expectations. Satisfaction is thus a function of relative levels of expectation and perceived performance. Expectations are formed on the basis of experiences with the same or similar situations, statements made by friends and other associates, and statements made by the supplying organization (Kotler & Clarke, 1987).

The below graph displays, conditions in which customers have expressed their view on factors that affect customers satisfaction in mobile service provision is given. Accordingly, unreliability of service is considered the first factor according to 204(68.92%) customers and others perception, feedback, reaction & expression of the service and unaffordability of subscription and usage charges/price are ranked as the last factors that affect customer satisfaction according to 148 (50%) customers each.

To clarify the factors that affect customers' service usage more the bar graph below indicates percentage of respondents with the rank.

Figure: 4.2 Factors Affecting Customer Satisfaction in Mobile Service Usage
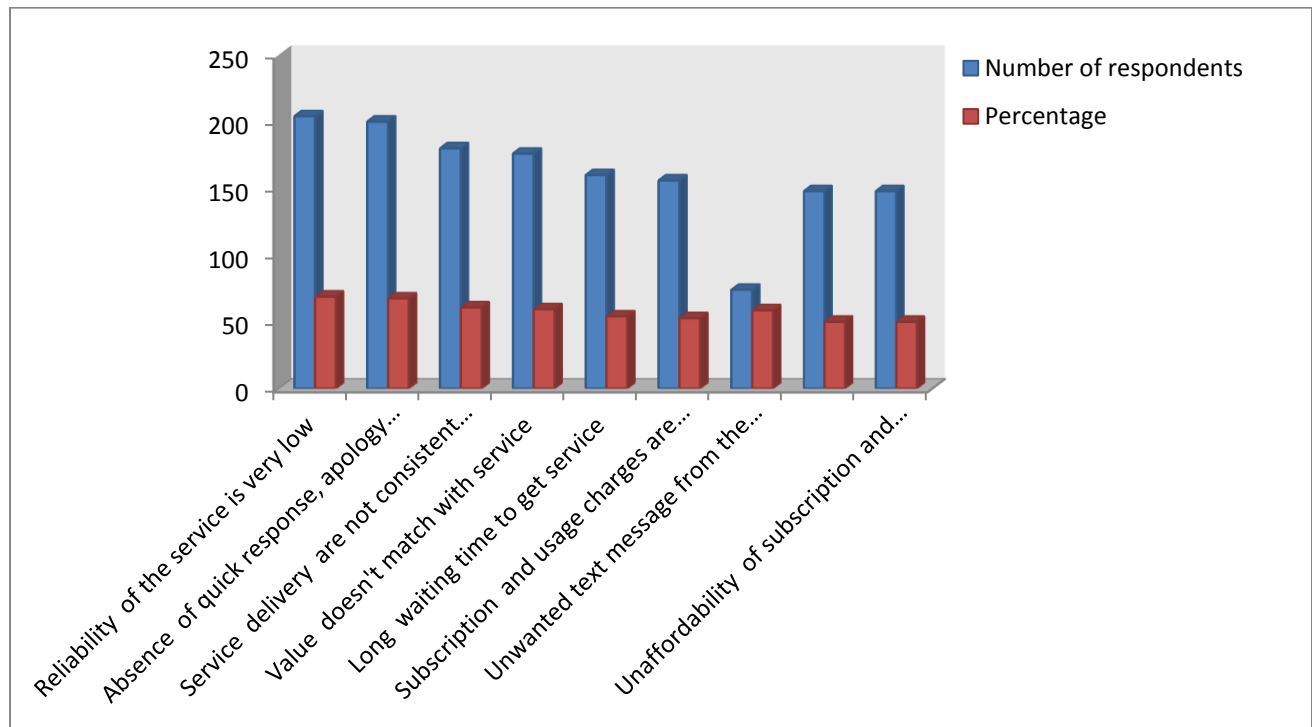
Source: own survey, 2012

In addition to this management members were interviewed to tell what major causes could there be for the problems of the mobile telephone services delivery. The management has appreciated most of the above causes indicated by their customers. Some of the managers have denied the existence of administrative problems. In addition to the above factors management has indicated the following factors affecting customers' satisfaction. These are:

• *Absence of physically compliant handling department, where company use call center as formal complaint handling section,*

• *Incompetence and lack of experience of some employees,*

• *Lack of accountability for failure to meet expected performance,*

• *Lack of communication between the back office and the front office, employees*

• *Failure of front desk employee to provide clear and adequate information on the availability of particular services and additional value added services.*

• *Lack of awareness by the service users and the service users are often unaware of their rights and obligations.*

In general both the respondents and the management of the company express their feeling on the factors that affect service provision; which is the cause of poor quality service provision for which the company is complained.

4.5 Pricing System of the Service

According to Kotler and Armstrong (2010) price is the amount of money charged for a product or service, sum of the values that customer exchange for benefits of having or using the product or service. Price fairness refers to consumers' assessment of whether a seller's price is reasonable, acceptable or justifiable according to Xia et al., 2004; Kukar-kinney, Xia and Monroe, 2007 as cited by (Rajasekhara, 2010).   Price fairness is a very important issue that leads toward satisfaction. Therefore changing fair price helps to develop customer satisfaction and loyalty. Research has shown that customer's decision to accept particular price has a direct and indirect bearing at satisfaction level and loyalty.

Concerning pricing of mobile service, customers were asked to give their agreement on four statements; following Table 4.10 indicates and compares average agreement level of respondents.

Regarding the reasonability of call rate offered by provider, about 23% of customers are responding that the call rate offered by the company is reasonable; while the rest of respondents which is about 60% customers responded that the call rate is not reasonable and only 17% of customers responded neutrally. From this it can be summarized that call rate offered by ethio telecom is not reasonable to its customers.

Table: 4.10 Pricing System of Mobile Service

|	# of respondents	Percentage		
		Neutral	Disagreed	Agreed
Call rate offered by the operator is reasonable	296	17	60	23
I will stay with the operator even if new operator emerges unless the price is significantly higher for the same services	296	19	49	22
This operator subscription fee and replacement charge for SIM card is fair	296	18	36	46
The operator mobile call charge per minute is low	296	15	64	21
Overall pricing	**296**	**17**	**52**	**28**

Regarding the continuity of customers with ethio telecom unless price is significantly increasing, reasonable number of subscribers almost 50% are not willing to stay with the operator. This clearly indicates that if new operator emerges in this country where ethio telecom controls the telecom sector by monopoly half of their subscribers will shift to newly emerging operators. The other 22% of the respondent customers feel that they will stay with the existing operator unless the price of this operator are significantly changed and the balance 19% of respondents prefer not to respond on the issue.

As to the fairness of subscription fee and replacement charge of SIM cards, about 46% the respondents feel that both subscription fee and replacement charge of SIM cards of ethio telecom are fair. On the other hand 36% of responding customers believe that subscription fee of the service and replacement charge is found to be unfair while the remaining 18% of respondents give their view as they are neutral. As a result regarding the fairness of subscription fee and replacement charge of ethio telecom we can infer that it is moderately fair while 46% customers responding in favor of it.

Regarding the call rate per minute, a great deal of the respondents give their response as the mobile call charge per minute is high while 21% of responding customers express their feeling the call charge per minute is not high and 15% the customers feel they are neutral on the issue. From this we can conclude that ethio telecom's mobile service per minute is high according to 64% respondents. However, in contrast to the great majority of respondent customers, Ethiopia ICT sector performance review, of (2009) the upgrade of network mobile to mobile call charges stand at about 0.83 Birr (US$0.06) per minute including tax – some of the lowest in the world.

The overall pricing of the mobile service is an aggregate of the four statements under this category indicated in the above table. The result indicates more than half of responding customers are not happy with the ethio telecom pricing system. As a result 52% of respondents disagreed with the overall pricing of the operator.

When we see the other dimension of pricing both customers and front desk employees were asked about service price fairness. This is indicated in the graph below.

Figure 4.3 Subscribers and Front Desk Employees' Mobile Service Charge Fairness in Percentage
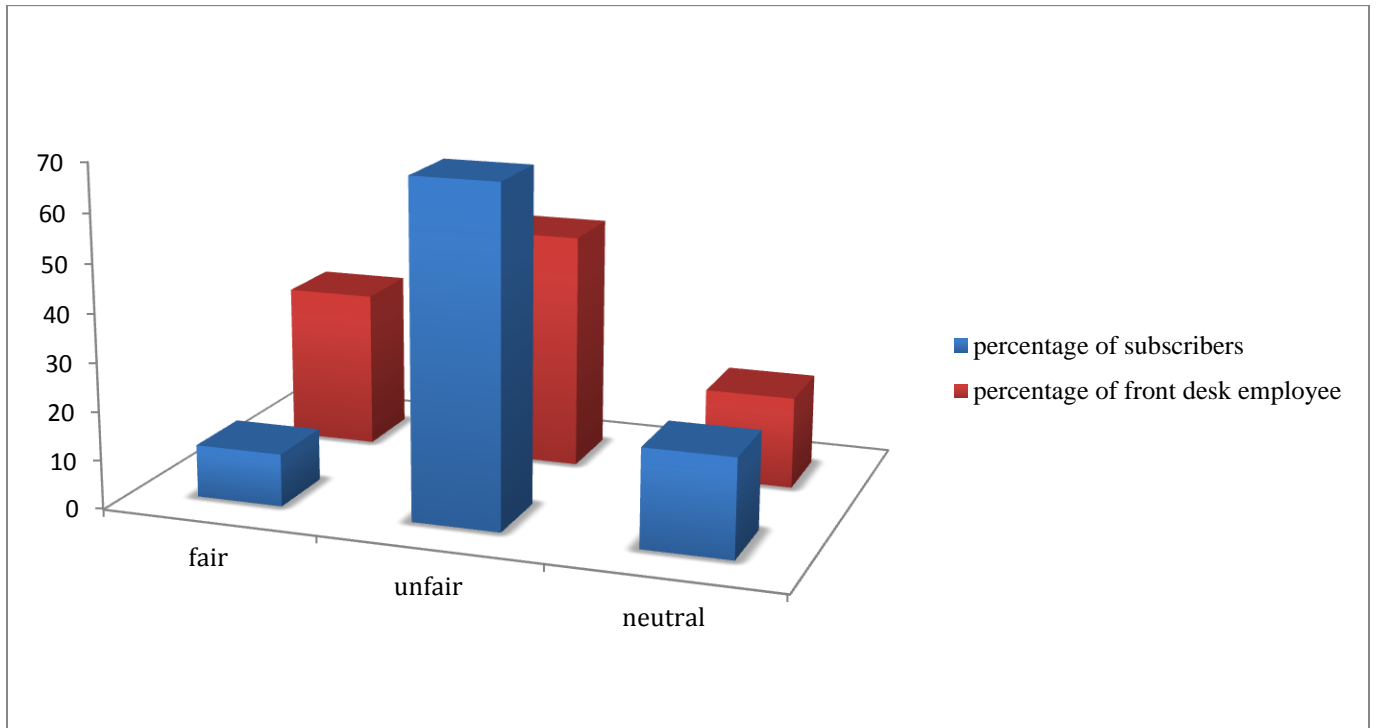
Source: own source, 2012

From the above table and graph in rating the service charge for mobile service, almost 70% which is 68.92% of customers expressed the service charge to be unfair and also 48.65% of front desk employees expressed service charge to be unfair. Only 32 (10.81%) of the customers and 12 (32.43%) front desk employees of the company feel that mobile service charge to be fair. The rest of respondents which is 60 (20.27%) of subscribers and 7(18.92%) front desk employees expressed their feeling to be neutral.

In general from respondents' view point we can conclude that service charge imposed by the company on its customers is found to be unfair. Currently the company has reduced call charge per minute to 0.72 birr which could be the lowest according to ICT sector performance review which is contrasting to both the customers and company's front desk employees' respondents.

Table 4.11: Value Match to the Service and Service Charge Bill

Value match with the service		
	# of respondents	Percentage
Agreed	10	27.03
Disagreed	27	72.97
Total	37	100
Service bill is sufficiently clear, accurate and acceptable		
	# respondents	Percentage
No	224	75.68
Yes	72	24.32
Total	296	100

Source: Own survey, 2012

From the above table 27 (72.97%) of front desk employee respondents expressed their view that value doesn't match with the service delivered by the company; whereas only 10 (27.03%) respondents agreed that value is matching with the service currently provided. So that from the respondents response we infer that the mobile service delivered by the company is not matching to what customers are served for.

As indicated in the above table again according to 224 (75.68%) customers' response service bill is not sufficiently clear, accurate and acceptable and the other 72(24.32%) respondents feel that the billing system is correct.

Accordingly, the overall pricing system of mobile service usage of the company is characterized by service charge imposed on customers is unfair, Service charge bill is not clear, inaccurate and unacceptable and Call charge per minute is high. Due to this customers are highly dissatisfied by the pricing system of ethio telecom, which can be considered as one of the factor affecting customer satisfaction.

4.6 Assessment of Service Quality

Service quality is the ability of the organization to meet or exceed customer expectations. The SERVQUAL model compares the customers' expectation and perception of service in terms of tangible assets, reliability, responsiveness, assurance, and empathy.

The SERVQUAL model has been widely used in the study of service industry. In this part the researcher tried to assess the service quality of the mobile telephone service delivery based on the above methodology.

4.6.1 Tangibility of Mobile Telephone Service

According to Zeithaml and Bitner (2000), Tangibility is the environment in which services delivered can affect customer feelings regarding that service. Moreover, this dimension includes all the physical components such as equipment, communication material, facilities and appearance that will create conducive ambiance for the customers.

Concerning tangibility of mobile service, customers were asked to give their agreement on four statements. Table 4.12 below presents the analysis result.

The average agreement level for the operator follow up in timely manner to customers request is 41% and the average disagreement level is 45%. This indicates that even though the averages of agreed and disagreed respondents are approaching to each other most of the respondents moderately disagreed with the follow up of the operator to customers' request.

Regarding operator's visual offices and up-to-date equipment and materials customers' average agreement level is 32%, the disagreement level is 28% and the level of customers who responded neutrally is 39%. From this we can conclude that there is moderate level of agreement by customers although a little bit large respondents are neutral on the level of agreement in having visually attractive office, up to date equipment and materials.

Regarding front desk employee appearance and uniform customers' average agreement level is 35% and average disagreement and neutral level is 31% and 34% respectively. So that accordingly the customers agreed on the front desk employee's appearance and uniform is appealing.

Table: 4.12 Tangibility of Mobile Service

	Percentage			
	Number of respondents	Neutral	Disagreed	Agreed
The operator follow up in timely manner to customers' request	296	15	45	41
The operator has visually attractive office, up to date equipment and materials	296	39	28	32
Front desk employee appearance and uniform is appealing	296	34	31	35
Ethio telecom physical facilities are at a convenient location	296	34	26	39
Overall Tangibility	**296**	**30**	**33**	**37**

Source: own survey, 2012

Regarding convenient physical facilities the average agreement level of subscribers is 39% and the disagreement level and neutrality is 26% and 34% respectively. From this it can be inferred that most customers agreed with the convenience of the physical facility of the company.

The overall tangibility of the mobile service is an aggregate of the four statements under this category indicated in the above table. The result indicates nearly equal average responses by the subscribers; and their level of agreement regarding tangibility of the mobile service is moderate which 37%.

4.6.2 Reliability of Mobile Telephone Service

Reliability is the ability to perform the promised services that can also be called delivery of promise and it is a significant element in the service quality. It can be called delivery of promises.

Reliability of mobile telephone service delivery mainly focuses on the consistency of performance and dependability of the service. Accordingly concerning reliability of mobile service, customers were asked to show their agreement on four statements. The following table identifies and compares average agreement level of respondents.

Table: 4.13 Reliability of Mobile Telephone Service

	Parentage			
	Number of respondents	Neutral	Disagreed	Agreed
Network of ET is dependable and consistent to solve customer complaints	296	8	70	22
Ethio telecom is consistent in providing good quality services	296	12	66	21
The reputation of this operator is trustworthy	296	7	62	31
The response to customers' complaint is always taken quickly	296	19	65	14
Overall Reliability	**296**	**12**	**66**	**22**

Source: Own survey, 2012

Regarding dependability and consistency of operator network, the average level of agreement and disagreement of customers is 22% and 70% respectively. And the rest 8% customers feel on dependability and consistency of the network as neutral. Hence customers have highly disagreed with the network dependability and consistency of ethio telecom with disagreement level of 70%.

As to the consistency of good service provision, the average level of agreement by customers is 21% and the average level of disagreement and neutrality is 66% and 12% respectively. Therefore again like dependability and consistency of network customers average level on provision of consistent good quality services is expressed by strong disagreement.

Reputation and trustworthiness of the operator is another dimension to assess the reliability of mobile service provision. From the table it can be seen that the reputation and trustworthiness of the operator customers' average level of disagreement is 62% while average level of agreement and neutrality of customers is 31% and 7%. According customers' response the average level of disagreement on reputation and trustworthiness of the operator is 62%, and we can be inferring that as customers strongly disagreed with the trustworthiness and reputation of the operator.

Regarding taking quick response to customers compliant the average level of agreement and neutrality is lower like others above indicated reliability dimension which is 14% and 19% respectively. While the average level of customers' disagreement on taking quick response to

customers compliant is 65% which could be concluded as customers are dissatisfied with the way ethio telecom is responding to customers compliant.

The last row in the above table assesses respondents' agreement level of overall reliability, where the data was obtained by taking the average response on the above four statements. The final result under overall satisfaction of reliability indicates that the customers disagreed with the overall reliability of mobile service where the overall average disagreement level is 66% and the overall average reliability level of agreement and neutrality is 22% and 12% respectively.

4.6.3 Responsiveness of Mobile Telephone Service

Responsiveness is the dimension that identifies how quickly an organization is able to provide assistance, answer questions, or pay attention to the problems that customers present. In brief, it is the willingness of an organization to help and provide quick service to customers. Concerning the responsiveness of the mobile service, customers were asked to give their agreement level on four statements. Table 4.14 below presents the analysis result as follows;

Table: 4.14 Responsiveness of Mobile Telephone Service

	Percentage			
	Number of respondents	Neutral	Disagreed	Agreed
This operator offers personalized service to meet customers' need and other value added service as per need	296	31	32	37
Ethio telecom provides timely information when additional and new services are available to its customers'	296	20	30	50
Front line employees of this operator are always willing to help the customers	296	28	29	43
Employees are approachable and easy to contact	296	39	21	41
Overall Responsiveness	**296**	**29**	**28**	**43**

Source: Own survey, 2012

The average levels of agreement by customers are indicated in the mean column. Regarding offering personalized service and other value added service the average level of agreement is

37%; whereas, the average level of disagreement and neutrality is 32% and 31% respectively. Here the average agreement level among the three variables (agreed, disagreed and neutral) is almost the same but with a little bit the customers' response is in favor of agreement with the average level of 37%.

As to the willingness of front desk employees in helping customers, the customers are responding as the average agreement level is 43%, average disagreement level 29% and the neutrality level are 28%. Therefore according to 43% of the respondents' front desk employees of the operator are willing to help their customers.

Provision of timely information for the availability of additional and new services is one of the other dimensions of assessing responsiveness of mobile service. Accordingly the average level of agreement on timely provision of information on the availability and new services is 50% and the disagreement level and neutrality on timely provision of information is 30% and 20% respectively.

As to the approachability of the front desk employees, the average level customers' agreement is 41%, while the rest of respondents feel that the average level of disagreement and neutrality is 21% and 39% respectively. In general regarding approachability of the front desk employees' the customers moderately agree.

The aggregate of the four statements on overall responsiveness of mobile service rated by the customers the level 43% average agreement. Through the assessment of four on the operator's responsiveness the result shows clearly that the delivery by ethio telecom is moderate.

4.6.4 Empathy of Mobile Telephone Service

This dimension identifies how employees pay attention and care for individual customers. In other words, it refers to how the service provider shows sympathy and understanding to customers problems.

The Table 4.15 below assesses customers' agreement level regarding empathy dimension of the mobile service by responding to four statements under this category.

Table: 4.15 Empathy of Mobile Service

	Percentage			
	Number of respondents	Neutral	Disagreed	Agreed
Having convenient periods and terms for activation, bill payment and provision of replacement	296	30	26	43
The operating hours of the operator is convenient to all customers	296	32	21	48
Apologizing for inconvenience caused to customers	296	24	51	25
The operator complaint handling procedure is attractive	296	23	61	16
Overall Empathy	**296**	**27**	**40**	**33**

Source: *Own survey, 2012*

For all the four statements, the average level of agreement is shown under the mean columns. Accordingly regarding having convenient periods and terms of activation & bill payment the average agreement level of customers is 43% and disagreement level of 26%; while the rest of the customers responded feel neutral with average level of 30%.   Hence, the result of customers feeling on operator's convenient periods and terms of activating SIM card and bill payment is moderately agreed with the agreement level of 43%.

Regarding convenient operating/working hours to customers, customers' response shows that the average agreement level is 48% and the level of disagreement and neutrality is 21% and 32% respectively. As a result customers agreed that ethio telecom has convenient operating hours for all customers with average level of agreement 48%.

As to apologizing for inconvenience caused to customers the customers' average level of disagreement accounts for more than half of the respondent which is 51%. The level of agreement and neutrality of customers on apologizing for inconvenience caused to customers is 25% and 24% respectively. So that from this we can infer that customers disagreed with the way the company forwards apology for the inconveniency caused to the customers.

Regarding operator's compliant handling procedure; customers highly disagreed with compliant handling procedure of the company where the average level of agreement, disagreement and neutrality are given as 16%, 61% and 23% respectively.

Overall, the empathy dimension of mobile service is rated to 40% average level of disagreement level and the overall empathy average level of agreement and neutrality is given by 33% and 27% respectively. To generalize the overall empathy of mobile service of the operator indicates that the customers moderately disagree with it, with the average level of 40%.

4.6.5 Assurance of Mobile Telephone Service

Assurance depends on employee knowledge and courtesy, including their ability to gain trust and confidence. This dimension is essential in environments where customers need to share personal information, for example in fields of banking, insurance, and mobile telecommunication. Concerning assurance of mobile service, customers were asked to give their agreement on four statements. Table 4.16 below presents the analysis result. Accordingly regarding the operator ability in providing variety of value added service, half of the respondents agreed with the operator's ability in providing the service with average agreement level of 50%.The other half responding on the ability of the company in providing value added services with average disagreement and neutrality level of 23% and 27% respectively.

Table: 4.16 Assurance of Mobile Service

	Percentage			
	Number of respondents	Neutral	Disagreed	Agreed
Ethio telecom has the ability to provide variety of value added service on the mobile service	296	27	23	50
Employees' have required skills and knowledge to answer customers' questions	296	35	30	35
Sincerity and patience in resolving customers' complaints/ problem is good caused to customers	296	36	34	30
The behavior and skills of employee in instilling confidence in customers is good	296	47	22	31
Overall assurance	**296**	**36**	**27**	**37**

 Source: Own survey, 2012

As to employees' skills and knowledge, the average level of customers' agreement is 35% and the disagreement and neutrality level is 30% and 35% respectively. Regarding skills and

knowledge of employees' customers' level of agreement and neutrality is high which 35% for each.

Regarding sincerity and patience of employees, the average neutrality level is high compared to average agreement and disagreement level that is 36%. The average agreement and disagreement level of customers on skill and knowledge of employees are 30% and 34% respectively.

The overall, assurance dimension of mobile service is rated to be 37% average levels of agreement level and the overall assurance average level of disagreement and neutrality is 27% and 36% respectively. In general regarding to the overall assurance with 37% average level of agreement, customers moderately agreed with the overall assurance of the company.

4.6.6 Overall Service Quality

When we summarize the overall quality service assessment of mobile service usage, it is summarized as follows:

Figure 4.4 Overall Service Quality of Mobile Service
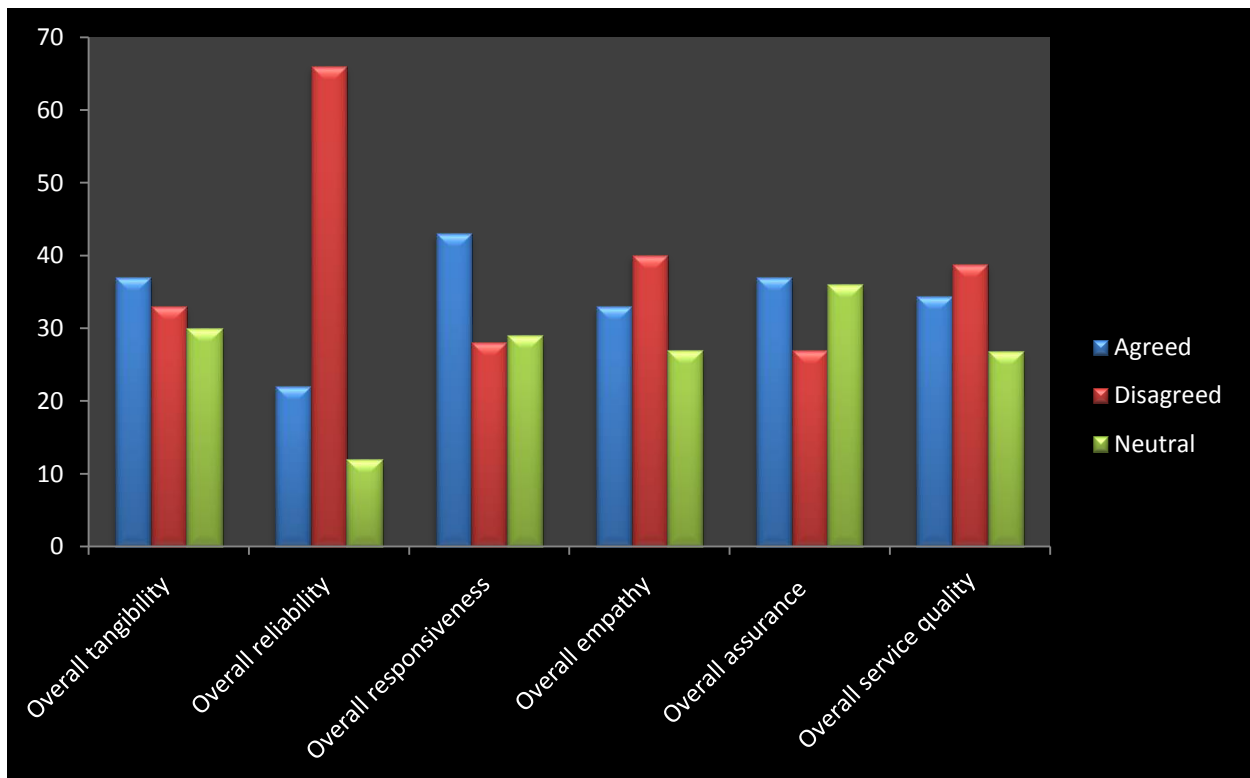
Source: Own survey, 2012

From this graph regarding overall service quality of ethio telecom mobile service we can infer the customers' feeling on their response. Accordingly when we see one by one the service quality dimension; regarding the overall tangibility and overall assurance of ethio telecom mobile service 37% of subscribers are moderately agreed with tangibility and assurance. Regarding overall responsiveness of the company about 43% of responding customers agreed. But when we see the overall reliability of the company's mobile service provision about 66% of responding customers expressed their disagreement on the reliability of the service and in the same manner about 40% of respondents also show their disagreement on the empathy of the service.

As to the overall service quality of the operator, about 34.40% of respondents agreed with the service quality of the company whereas about 38.80 % and 26.80% of respondents disagreed and feel neutral respectively. As a result we can conclude on the overall service quality of the company, since large portion of the respondents disagreed with the overall service quality; hence service quality of the company is not satisfying its customers.

4.7 Overall Satisfaction

Regarding the overall satisfaction of ethio telecom mobile service both customers and front desk employees were asked whether customers are satisfied with the service or not. Accordingly, the results of their response are summarized in table 4.17 below;

Table 4.17 Overall Service Satisfaction of Both Customers and Front Desk Employees

	Yes		No		Total respondents
	# respondents	Percentage	# respondents	Percentage	
Customers	76	25.68	220	74.32	**296**
Front desk employees	5	13.51	32	86.49	**74**

Source: Own survey, 2012

From the above graph as it is clearly shown that 75% of customers and 86% of front desk employees responded that customers are not satisfied with the overall service. Only 25% of customers and nearly 14% of front desk employees responded that customers are satisfied with

the overall mobile service of ethio telecom. Therefore, from this figure we can conclude that customers/subscribers are not satisfied with mobile service of the company.

In the analysis part I used three liker scales even though in the questionnaire the scale goes up to five. This is because the extreme two scales strongly disagree and strongly agree are insignificant and did change the result of the study.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter the findings are summarized, conclusion drawn and recommendations made based on the data observed from interview and questionnaires as well as available secondary sources.

5.1 Summary of Major Findings

The summary of major findings of this study is presented as follows;

- According to both type of respondents (84 percent of customers and 86.5 percent of front desk employees) they face different problems in mobile service usage of the company.

- Regarding the compliant on mobile service according to 46 percent of front desk employee's customers compliant on the service is moderate and the trend of complaint is increasing from time to time according to 51.35% of front desk employees due to high tariff on mobile service usage, repetitive optical fiber cut which leads to poor network quality and the mismatch between increase in number of subscribers and network expansion and enhancement.

- Regarding customer compliant handling according to 75 percent of front desk employees' respondent customers compliant is not solved timely.

- The main factors that affect customer's satisfaction in mobile service provision of ethio telecom are so many among them unreliable service, front desk employees' lack of courtesy, poor customer handling and unjustifiable pricing systems are some to mention.

- Regarding the pricing system service charge on the customers is unfair, Service charge bill is not clear, inaccurate and unacceptable, and call charge per minute is high. And the customers are dissatisfied with the overall pricing system of the company, 52 percent of respondent customers are disagreed with the pricing system.

- In the reliability section, the result indicates that customers disagreed with the overall reliability of mobile service with the overall disagreement level of 66 percent. Hence we see that the customers disagreed with the service reliability.

- In the tangibility section, the result indicates 37 percent average level of agreement on the tangibility of service quality. Here we see that customers moderately agree with the tangibility of the service.

- In the responsiveness section, the result indicates that 43 percent average agreement on the responsiveness of the mobile telephone service delivery. Here we see that customers moderately agree that the service system is responsive.

- In the empathy section, the result indicates 40 percent average disagreements on the empathy of mobile telephone service delivery. In the assurance section, the result indicates 37 percent average level of agreement on assurance of mobile telephone service. Here we can see that customer's moderately agree with assurance of the service.

- The overall service quality of ethio telecom in mobile service provision is very poor with average disagreement level of 38.80 percent and the average agreement and disagreement level is 34.40 and 26.80 percent respectively.

- Regarding the overall satisfaction of mobile service usage of ethio telecom 75 percent of responding customers and 86.5 percent of front desk employees' respondent subscribers/customers are not satisfied with the service.

5.2 Conclusions

This study has given due attention to identifying some of the basic problems and related factors affecting customer satisfaction in mobile service at ethio telecom, in Addis Ababa.

The literature reviewed for this study reveals that clear consensus have been reached on the general service delivery and customer satisfaction. However, not much is written about factors affecting customer satisfaction in mobile telephone service in Ethiopia. Hence, this study is aimed at in revealing those factors & filling this gap.

Ethio telecom is the sole telecom service provider in the country. In fact efforts are being made by the organization to satisfy the needs of its customer satisfaction earlier and after its transformation from Ethiopian Telecommunication Corporation to ethio telecom. The service is being expanded throughout the country, specially mobile service expansion constitute large portion , but regarding service quality it is not satisfactory and little attention is given to it. The quality of services is affected by many factors such as low reliability of service, absence of quick responses, absence of apology and compensation for service failure, inconsistent and non-standardized and the mismatch of service to value.

In the company there are also different internal problems that aggravated the problem of customer dissatisfaction. The current internal working habits need to be improved if ethio telecom wants to retain its current customers and attract new ones. As indicated in the analysis part if new competitive firms that provide telecom service enter the market and government policy changes customers will shift to new firms unless a service improvement is made by considering customers' interest. Among the internal problems of the company that aggravate customer dissatisfaction are poor customer handling, poor employee approach and uncooperative employee to the customers are the main ones.

The current mobile telephone service is not customer oriented. Currently most of the customers are dissatisfied with the service they receive from the company. In addition the complaint on mobile service provision is also increasing from time to time. The customers enumerated many factors that contribute for the increment of compliant on the services. Among the major factors are poor network quality, high tariff on service usage & unfair subscription and replacement charge of SIM card, repetitive optical fiber cut, absence of physical compliant handling section etc.

Regarding the overall service quality assessment, overall reliability and empathy of mobile service is very poor, whereas the overall assurance and responsiveness is relatively better. And overall tangibility is moderate.

In general both customers and front desk employees of the company are expressing their dissatisfaction with the overall mobile service provision of ethio telecom.

5.3 Recommendations

The recommendation addressed here presents some options for policy implications and practical interventions both by management and government to improve the quality of mobile telephone service delivery and thereby increase customer's satisfaction. In this regard, the following recommendations are worth mentioning.

As the researcher reviewed the experience of other countries in the literature review part quality service provision has strong linkage with number of telecom service operators in the market. Hence, the government should realize that monopoly networks and services are limiting the development of new markets and services of telecom. In economic stimulation and integrating different sector of economy the telecom sector plays a great role so that having different operators might be advantageous and it should be allowed.

Currently the company is undertaking management contract with well-known telecom service provider, France telecom which is appreciable. However, as indicated in the analysis part the compliant in mobile service usage is increasing from time to time, so that in order to overcome this problem the company should use best practices of other company and exhaustively use the experience and knowledge of France telecom in improving the sectors' service provision.

Reliable network, good customer handling and having clear & accurate bill are important factors in the service provision. The most common problem mentioned by customers, & employees is poor network and poor customer handling procedure which is highly contributing for customer dissatisfaction in service provision. Currently ethio telecom is mainly focusing in expanding the mobile telephone service throughout the country. But lack of reliable network and poor customer handling procedure strongly affect the working conditions of the company thereby affecting the satisfaction of customers. Hence, this paper recommends that there has to be a balance between expanding the service and acquiring expected service quality that satisfies customer should be deployed.

According to the findings of this research the call rate per minute of ethio telecom mobile service is high according to a large portion of the customers which is very different from Ethiopia ICT sector performance review of 2009, which states that it is the lowest in the world. So that by taking into consideration the feeling of customers the company should create awareness about the price charged by the company compared to price in other countries..

One of the factors that affect the delivery of service is that of the staffs or the people who provide the service. In this regard highly satisfied manpower is essential in order to identify the needs of customers and respond immediately. One of the major problems that dissatisfy customer service provision is lack of commitment of manpower due to dissatisfaction. Hence, the company has to do a lot to enhance and the need of the existing employees and   attract new skilled manpower from the market.

To generalize since the main problem of ethio telecom mobile service usage in relation to quality service is reliability and empathy, the company should work a lot on reliability and empathy of service quality of mobile service side by side with expanding service. Unless the service quality is improved increasing the number of subscribers done will not lead to meeting the objective of the company, which is generating profit and satisfying customers.

References

Anita seth, k.momaya , H.G Gupta (2005), *E-service delivery in Cellular mobile Communication Some Challenges and Issues*, Global Journal of E-Business and knowledge management, volume2 No.2

Alex Comninos, Steve Esselaar, Alison Gillwald , Mpho Moyo and Kammy Naidoo(2009/2010*), South African ICT Sector Performance Review Towards Evidence-based ICT Policy and Regulation* Volume Two , Policy Paper 6, 2010.

Ethiopian Telecommunications Corporation, *Annual Statistical Bulletin 2008/2009*

Ethio telecom website, http://www.ethiotelecom.et/products/residential-tariff.php and http://www.ethiotelecom.et/products/enterprise-tariff.php

Ismail, M and Yusuf Z (2009), *The Relationship between Knowledge Sharing, Employee Performance and Service Delivery in Public Sector Organizations: A Theoretical Framework: Public Sector Management* R*eview.*

Joan L.Giese and Joseph A,cote (2002), *Defining Customer Satisfaction, Washington State University Academy of Marketing Science Review*, volume 2000 No.1

Kotler .P, keller, K.L (2006), *Marketing Management, (12th edition), Prentice-Hall of India*, New Delih

Lishan Adam (2009/2010)*, Ethiopia ICT Sector Performance Review Towards Evidence-base ICT Policy and Regulation* Volume Two, Policy Paper 9, 2010

Mary Materu-Behitsa and Bitrina D. Diyamett (2009/2010)*, Tanzania ICT Sector Performance Review Towards Evidence-based ICT Policy and Regulation* Volume Two, Policy Paper 11, 2010*.*

Mohammad Al-shuaib (2010), *Measuring the Level of Customer Satisfaction with Zain E-service Quality,* MBA Thesis.

Moon-koo kim, Meong-Cheol park, Dong-Heon Jeon (2004), *The Effect of Customer Satisfaction and Switching Barrier on Customer Loyalty in Korean Mobile Telecommunication service*, Telecommunication policies 28

Muzammil hanif, sehrish hafeez and Adnan Riaz (2010) *Factor Affecting Customer Satisfaction, International Journal of Finance and Economics Issue 60(2010)*

Nuur-Ul- Ain nawaz, Ahmad usman, *What Makes Customer Brand Loyal: A Study on Telecommunication Sector of Pakistan*, International Journal of Business and Social Science, volume 2 No. 14

Rajasekhar Mouly polturi Mangnale (2010), *An Assessment of Ethiopian Telecom Customer Satisfaction*, Global Journal of Management and Business Research volume 10, issue 4 (ver.1.0)

Rajasekhar Mouly polturi and V.S magnale (2011), *Critical Factors of Customer Satisfaction in Ethiopia Service Secto*r, Asian Journal of Business Management

Rakshit Negi (2009), *User's Perceived Service Quality of Mobile Communication: Experience from Ethiopia*, International Journal of Quality and Reliability Management

Siew-Phaik Loke, Ayankunle Adegbite Taiwo, Hanisah Mat Salim, and Alan G. Downe (2011), *Service Quality and Customer Satisfaction in a Telecommunication Service Provider,* International Conference on Financial Management and Economics IPEDR vol.11 (2011)

Simon Gyasi Nimako (2010), *Overall Customer Satisfaction in Ghana's Mobile Telecommunication Networks: Implications for Management and Policy,* ATDF Journal Volume 7, Issue 3/4 2010.

Tele Negarit (2007), *Ethiopian Telecommunication Corporation Quarterly Magazine* vol.44, No.1

Tele Negarit (2009), *Ethiopian Telecommunication Corporation Quarterly Magazine* vol.45, No.2

Timothy Waema, Catherine Adeya, and Margaret Nyambura Ndung'u (2009/2010), *Kenya ICT Sector Performance Review Towards Evidence-based ICT Policy and Regulation Volume Two, Policy Paper 10, 2010*

Tom Phillips, Peter Lyons, Mark Page, Laurent Viviez (2011), African Mobile Observatory, *Driving Economic and Social Development through Mobile Services*
Worku Bogale (2005) Ethiopian Telecommunications Corporation, *A Background Paper on Telecom & Telecom Statistics in Ethiopia.*
World Economic forum (2012), Technology *report 2012, the Business School for the World*
World economic Forum*, The Networked Readiness index 2012: Benchmarking ICT Progress and Impacts for the Next Decade.*

Appendix-1

Questionnaire to be filled by customer only

The purpose of this questionnaire is to collect data, for conducting MBA thesis on factors affecting customer satisfaction in mobile service at ethio telecom (case of Addis Ababa). The questionnaire is prepared to help the study through your attitude and behavior related to mobile service usage satisfaction. Fill free in responding for the questionnaire, any of your response to the questionnaire is confidential and used for academic purpose only.

Tesfaye Moti

E-mail: tesfamoti@yahoo.com

Tel: 0911-510371

Part I

Tick in the below table from alternative given below, if you have comment or suggestion use the space provided for it.

1- Strongly Agree   2- Agree   3- Strongly Disagree   4- Disagree

5- Neutral

Topic	1	2	3	4	5	Comment/suggestion
Tangible						
The operator follow up in timely manner to customers' request						
The operator has of visual attractive office, up to date equipment and materials						
Front desk employee appearance and uniform is appealing						
Et physical facilities are at the convenient location						
Reliability						
How dependable and consistent is the network of ET to solve customer complaints'						
Ethio telecom is consistent in providing good quality services						
The reputation of this operator is trustworthy						
The service provided by this operator is secure						
The response to customers' complaint is always taken quickly						
Responsiveness						
This operator offers personalized						

service to meet customers' need and other value added service as per need					
Ethio telecom provides timely information when there additional and new services are available to its customers'					
Front line employees of this operator is always willing to help the customers					
Employees are approachable and easy to contact					
Empathy					
Having convenient periods and terms for activation, bill payment and provision of replacement					
The operating hours of the operator is convenient to all customers					
Apologizing for inconvenience caused to customers					
The operator complaint handling procedure is attractive					
Employees attitude towards their customer is good					
Assurance					
Ethio telecom has the ability to provide variety of value added service on the mobile service					
Employees' have required skills					

and knowledge to answer customers' questions					
The behavior and skill of employee in instilling confidence in customers is good					
Sincerity and patience in resolving customers' complaints/ problem is good					
Pricing					
Call rate offered by the operator is reasonable					
I will stay with the operator even if new operator emerged unless the price is significantly higher for the same services					
This operator subscription fee and replacement charge for SIM card is fair					
The operator mobile call charge per minute is higher					
Overall satisfaction					
I am satisfied with overall mobile service quality offered					
I am satisfied with the professional competence of the operator					
I am satisfied with the performance of service providing employees					

Part II
For the following open ended question give the response on space provided, if the space is not sufficient u can use the attached white paper.

1. Do you satisfied by the mobile service you are using now?

   Yes [   ]   No [   ]

2. Based on question No_ 1 again if your answer is no what kind of improvement do you expect from the company?
   _____
   _____
   _____
   _____
   _____
   _____
   _____

3. What are the factors that dissatisfies you in usage of ethio telecom mobile service usage, please tick in all factors which holds for you

The responsiveness of the employee to the customers	
Office environment is not attractive and comfortable for customers	
Facilities and equipment used for provision of service are not up-to-date	
Service delivery stations are inaccessible	
Company's employees knowledge and courtesy is not up to the expectation	
Reliability of the service is very low	
Subscription and usage charges are not reasonable, acceptable or justifiable	
Service deliveries are not consistent and standardized	
Absence of quick response , apology and compensation for service failure	
Others perceptions, feedback, reaction and expression of mobile service	
Value doesn't match with service	
unaffordablity of subscription & usage Price	
Long waiting time to get service	
Inaccuracy of billing system	
Others:	

4. Have you ever faced a problem with your mobile phone service?

   Yes [   ]   No [   ]

7. If your answer to question no. 6 is yes, what are the problems; please tick on all problems you face?

The network is not good	
Mobile activation is too late	
Long waiting time to get mobile service	
Price of SIM card is not affordable	
Value does not match with service	
Others:_____ _____	

8. Do you think that ethio telecom has internally problem in relation to mobile service delivery?

Yes ☐   No ☐

9. If your answer to question No_ 9 is yes, which of the following problems did you observe?

Approaches of employees are not good	
Employees are not cooperative	
Employee don't respect customers	
Customer handling is not good	
There is corruption in service delivery	
Employees are not always available on their respective duty	
Others:	

10. Is the mobile phone bill sufficiently clear, accurate and acceptable?

Yes ☐   No ☐

11. How do you rate mobile service charge?

Fair ☐   unfair ☐   neutral ☐

Appendix-2

Questionnaire to be filled only by employee

The purpose of this questionnaire is to collect data, for conducting MBA thesis on factors affecting customer satisfaction in mobile service at ethio telecom (case of Addis Ababa). The questionnaire is prepared to help the study through your attitude and behavior related to mobile service usage satisfaction fill free in responding for the questionnaire, any of your response to the questionnaire is confidential and used for academic purpose only.

Please indicate your answer by ticking (√) for question with choice box and for open ended question use the provided space, if the space is not sufficient use attached white paper.

1. How long you have been working as frontline employee user?

   Less than a year ☐   1-3 years ☐

   3-5 years ☐   more than 5 years ☐

2. How do you evaluate customer satisfaction in mobile service usage?

   Satisfied ☐   not satisfied ☐

3. If the answer for question No_ 2 is not satisfied what do you think the reason for the dissatisfaction?

   _____
   _____
   _____
   _____
   _____

4. What are customers mostly complaining for in mobile service usage?

   _____
   _____
   _____
   _____

5. Do you think that customers' complaints are solved timely as per customers' request?
   Yes ☐   No ☐

6. If the answer of question No. 5 is no why it isn't solved timely?

_____
_____
_____
_____

7. In your office is there complaint handling section/department?
   Yes [   ]   No [   ]
8. If your answer for question No. 7 is yes how do you see the section's/ department's effectiveness?

_____
_____
_____
_____
_____

9. Are there any actions under taken to improve customer satisfaction by the company?

   Yes [   ]   No [   ]

10. As to you what do you suggest to the company to improve customers' satisfaction on

    mobile usage and reducing complaint?

_____
_____
_____
_____
_____
_____

11. How do you rate customers' complaint on GSM service usage?

    Low [   ]   Moderate [   ]   High [   ]   Constant [   ]

12. On average how much complaint do your department receives per day whether it is

    formal /informal?

_____
_____
_____

13. How do you see the trend of customers' complaint in mobile service usage from time to

    time?
    Increasing [   ]   decreasing [   ]   constant [   ]

14. Based on question No. 12 if your answer is increasing /decreasing what are the factors that contribute for the increment or decrement? list as much as possible

_____

_____

_____

_____

_____

15. How do you see the overall pricing system of mobile service?

Low [   ]   fair [   ]   high [   ]   neutral [   ]

16. Based on question No.15 your answer is no how do you rate it?

Too low [   ]   Low [   ]   High [   ]   too high [   ]

17. Are the subscription fee and other costs like replacement cost in case of SIM card damage and lost is reasonable?

Yes [   ]   No [   ]

18. Based on question No. 17 if your answer is no what should it be? What do you suggest in relation to customer satisfaction?

_____

_____

_____

_____

_____

_____

19. The value of your service match to what your customers are served

Strongly Agree [   ]   Agree [   ]   Disagree [   ]   Strongly Disagree [   ]

20. The corporation has up-to-date equipment

Strongly Agree [   ]   Agree [   ]   Disagree [   ]   Strongly Disagree [   ]

21. The corporation has convenient physical facilities

Strongly Agree [   ]   Agree [   ]   Disagree [   ]   Strongly Disagree [   ]

22. The service provided by your organization is networked. E.g. your customers can pay your bill at any branch.

Strongly Agree ☐ Agree ☐ Disagree ☐ Strongly Disagree ☐

23. ethio telecom is using call center like 994 as complaint handling department , how do you rate the effectiveness of the center?

High ☐ low ☐ no change/constant ☐

Appendix-3

Interview question for management person

1. Do your customers are satisfied by the service you deliver to them regarding mobile services?

2. What are the major complaints/problems you face in mobile service delivery/provision?

3. Do you have complaint handling procedure /mechanism in mobile service delivery?

4. How many complaints' are coming from customers' per month on average?

5. And how many of it gets proper solution?

6. What are the mechanisms you used to solve these problems?

7. What measures are taken to reduce the complaint?

8. Do you personally feel that the customers are satisfied with the service they received?

9. One of the most complaint of customers' is on mobile service quality, but the company rather than doing on it and add customer value to customer it engaged itself on other activities like mobile hand set retailing and advertising etc how do you see this?

10. What standard does your organization use to measure customers' satisfaction?

11. How do you see overall customer satisfaction in mobile service usage from time to time?

12. How do you evaluate the pricing system of your company especially regarding service charged for subscription and replacement?