



ST' MARY'S UNIVERSITY
SCHOOL OF GRADUATES

ASSEMENT OF SERVICE QUALITY AND CUSTOMER SATISFACTION IN
ETHIO TELECOM

BY
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**ST' MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
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**ASSEMENT OF SERVICE QUALITY AND CUSTOMER SATISFACTION IN
THE CASE OF ETHIO TELECOM**

**BY
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The Researcher

ACRONYMS

| | |
|-------|-----------------------------|
| NAAZ | North Addis Ababa zone |
| SAAZ | South Addis Ababa zone |
| SWAAZ | South west Addis Ababa zone |
| WAAZ | West Addis Ababa zone |
| CAAZ | Central Addis Ababa |
| EAAZ | East Addis Ababa zone |

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ABSTRACT

The study is conducted on quality of service deliveries and customer satisfaction in the case of ethio telecom. The study was explored the level of customers satisfaction. The study tried to provide relevant factors that cause customers to respond about ethio telecom service qualities and effects of the service quality dimensions on customer satisfaction. To attain this objective questionnaire was designed and distributed to 300 customers in six main ethio telecom branches located in Addis Ababa which are SAAZ, NAAZ, CAAZ, SWAAZ, EAAZ and WAAZ. From those 300 respondents 195 male and 105 female respondents were participated to reflect their perception of ethio telecom service delivery quality and their satisfaction level as well. This study used both qualitative and quantitative survey research design which used simple random technique. The study measured customer satisfaction level through using the SERVQUAL dimensions such as assurance, reliability, tangibility, empathy and responsiveness. The data was collected and analyzed by using SPSS 20 and Microsoft excel. The finding of the analysis showed that ethio telecom provide standardize services which satisfied customers furthermore 33.98% of the customers are satisfied with the tangibility of ethio telecom service delivery. Other 39.1% of the customers were also satisfied with the reliability of ethio telecom service quality. 44.2% of the customers were satisfied with the responsiveness of ethio telecom service quality. Furthermore another 40.3% of the customers are at the satisfaction level on assurance of ethio telecom service quality. The research has concluded that however there has some measures and actions to be taken on the service deliveries; ethio telecom is delivering good qualities of services and satisfied its customers. At the last the study raise some recommendations like ethio telecom should give emphasis on reliability, provide standardize and modern equipment and deliveries as well as price of the products and at the last give attentions to value added services.

Key words; service quality, customer satisfaction, SERVQUAL.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The telecom services industry is one of the most competitive and highly globalized sector due to the largely extensive use of information technology systems by firms operating in the sector, businesses, individuals and the whole operations of a country. The development of telecommunication industry is one of the important indicators of social and economic development of the country. The development of communication sector has a vital role in improving the countries all business activities regarding in all affairs. This sector is very dynamic in its nature and it plays a key role in development strategy being implemented by the country.

Telecom service has started in Ethiopia in the year 1894 when the construction of telephone line from Harar to the capital city Addis Ababa. Ethiopian Telecommunication Corporation is the oldest public communication operator in Africa.

In 1932 Ethiopia has become a member of the international telecommunication union (ITU) before the Italian invasion. After the end of the war against Italy, during which the telecommunication network was destroyed. The company was placed under the portents of the ministry of post, telephone and telegraphs (PTT) and then reorganized as imperial board of telecommunication of Ethiopia.

The imperial board of telecommunication (IBTE) was established in 1952 under the proclamation No.131/52. The board had full financial and administrative autonomy and was in charge of the provision and expansion of telecommunication services in Ethiopia.

The imperial board of telecommunication of Ethiopia, which became the Ethiopian telecommunication authority in 1981, was placed in charge of both operation and regulation of telecommunication services in the rise of the market reforms.

On November 1996 the telecommunication sector was restructured and has two separated independent entities which are Ethiopian telecommunication authority (ETA) and the Ethiopian telecommunication corporation, while ETA is responsible, inter-alia, to license telecommunication service operators, specify technical standards, type approval of equipment, license radio telecommunication service equipment and manage and authorize the use of frequencies, ETC is responsible to operate telecommunication services, to repair, assemble and manufacture telecommunication equipment, and manage and offer telecommunications services. After this settled in 2010, Ethiopian Telecommunications Corporation (ETC) was converted into Ethio telecom. It is established with the ambition of transforming the telecom infrastructure and services to world class standard. In Ethiopia, ethio telecom is owned by the Ethiopian Government and maintains a monopoly on all telecommunication services. Although Ethiopia has been one of the countries in the world which has acquired telephone system few years after its invention, it has remained far behind other countries.

Ethio telecom provides fixed line service including postpaid and prepaid, mobile include prepaid postpaid, international, roaming, internet such as ADSL, 3G, 4G, EVDO, CDMA 1X, mobile internet, ISP services, and value added services. In addition it provides dial up internet service, ADSL and wireless internet using AIROET, VSAT and EVDO. Ethio telecom provides other value added services such as domain registration code, country code top level domain (CCTLD), the domain name system, and web hosting and internet protocol address service. In the mobile service category prepaid, postpaid, and value added services such as reachability alert, missed call notification, voice mail, voice SMS, CRBT, call barring, credit transfer, waiting call and text message services are included. Mobile services includes prepaid services, satellite mobile phone services international mobile roaming services.

The topic of the study is to assess the service quality and customer satisfaction in ethio telecom particularly on Addis Ababa branch offices. There is an essentially important link between organizational quality service and customer satisfaction and thus both of them are responsible for the performance level of an organization and as an important element to be present for better organizational development. The company should work hard to get the customer loyalty and satisfaction.

Customer satisfaction with a company's offering is determined by comparison between customer expectation of the company's product or services and their perception of the products or services performance (Fornell et. al 1996, Oliver 1980).

Service quality is the degree of contradiction between customer perception of service performance and their normative expectation of service (A.Parasuaraman et. al.1985). Organization must be able to build and maintain long lasting relationship with customers through satisfying various customer needs and demand which eventually motivates them and satisfied them. Customers are the back bone of the organization existence, if the organization perform good and satisfied the customers they will be a loyal customer and it let the organization continue to do the business successfully. Excellent service increase customer retention and it increase market share of the company which lead to produce high revenues that is making the company profitable. In these days globalize and broad less market, responsiveness, quality and productivity are essential for the survival and growth of any organization. These factors depend mainly on the attraction and retention of customers. Customer satisfaction significantly affects company's performance and survival.

1.2 Statement of the Problem

High level of service quality leads to high level of customer satisfaction (Steven et al, 1995; Adaleeb and Conway; 2006). The organization must provide good quality services and products for the sustainability of its growth and development. The customer satisfaction is important because it is a leading indicator of customer repurchases intention and loyalty; it reduces negative word of mouth. Word of mouth has a strong effect; a negative word of mouth may spread double than that of a positive one. A positive word of mouth has the value to increase customer lifetime value; it is a point of differentiation. To provide improved quality services ethio telecom needs to investigate degree of customers' sensitivity and expectations toward service quality. Service quality is needed for creating competitive advantage and it is connected to customer expectation and customer perceptions.

Service quality and customer satisfaction have recognized as playing a crucial role for success and survival of the companies in a competitive market linked to customer behavioral intentions like repurchase and loyalty intention of the customers.

Service quality is an assessment of how well delivered services conforms to client's expectations. Service business operator often assess the service quality provided to their customers in order to improve their services to quickly identify problems and to better assess client satisfaction. As Rajan Saxea stated in his book, Marketing Management, the customers assess the service of a firm using the following parameters: reliability, responsiveness, assurance, empathy, tangibility, and price.

Ethio telecom was established with different core objectives such as being a customer focused company, offering the best quality of services, building a financially sound company, and meeting world class standards. It provides different telecom services to the customers all over the country. The quality of services offered by the company in terms of their reliability, responsiveness, assurance, empathy, tangibility will be assessed in the research. There are different customer complaints heard about ethio telecom service deliveries with customer satisfaction in times.

It is also important to understand what is the role of service quality its effects on customer satisfaction .the researcher as part of the organization has observed the following gaps in ethio telecom.

There is incongruity between customer perceive service quality and their expected service quality in ethio telecom service deliveries.

There is Poor customer satisfaction with the company's service deliveries activities.

Thus the researcher has assessed the service quality dimensions such as reliability, tangibles, empathy, assurance, and responsiveness and their effects on customer satisfaction.

1.3. Objectives of the Study

It is important to conduct critical assessment of the viable factors, which determine the customer satisfaction through evaluation of service quality using appropriate standards. The objectives of the study are stated below.

1.3.1 General Objectives

- The general objective of this research is to assess the delivery of services and its quality by the Ethio-telecom and the satisfaction of the customers thereof. In order to effectively achieve this objective, the research has the following specific objectives.

1.3.2 Specific Objectives

- To assess the quality of services delivered by Ethio-telecom;
- To examine the level of satisfaction of customers by the services of Ethio telecom
- To examine the relationship of service quality and customer satisfaction.
- To assess the role of employees in customer satisfaction

1.4 Research Questions

The main research questions that have been answered by this study are as follows:

- Do the services delivered by Ethio-telecom meet the required standard?
- What is the level of customers' satisfaction by the services of Ethio-telecom?
- Is there any relationship between service quality and customers satisfaction in Ethio-Telecom?
- What would be the role of employees in the satisfaction of customers?

1.5 Significance of the Study

The significances of this study can be seen from different angles. The study will show the relationship between service quality and customer satisfaction in ethio telecom.

This particular study has paramount significance for the organization growth and sustainability of ethio telecom. Its result will be important to create awareness to the employees, supervisors and senior managers of the aforementioned organization about the most determinants variables that can create customer satisfaction on the services provided by the company. Therefore, ethio telecom will shape its policies, revise its service deliveries, or advance further in order to reach the maximum technology for serving its customers according to the findings and recommendations from this research.

Second, the findings of this study will add to the theoretical knowledge in other related studies and its practical engagement. It might of help for other individuals who would like to conduct further studies in similar and related areas.

1.6. Scope and Delimitation of the Study

Various authors and research studies conducted by (A. Parasuraman et.al 1985, kottler 2001, Mubshhar Mubhar et.al 2014) have in aggregate confirmed that the service quality dimensions such as reliability, empathy, tangibles, assurance and responsiveness have a significance effect on customer satisfaction. Thus the research work has focused on these five dimensions and their effects on customer satisfaction. In addition as these service quality dimensions are implemented by employees who are assigned to deliver the services, the research has examined what would be their role to satisfy customers.

1.7. Organization of the Study

The study will be organized into four chapters. Chapter one will constitute background, statement of the problem, objective of the study, research question, hypothesis of the study, significance of the study and the scope and limitation. Review of the theoretical and empirical literature pertinent to the study will be presented in chapter two. Chapter three will describe the

research methodology that will include a brief description of the study area, data collection procedures and analytical techniques used. Chapter four, will deal with conclusion and recommendation of the study.

1.8. Definitions of Terms

Customer: a person or organization that a marketer believes will benefit from the goods and services offered by the marketer's organization.

Service: a means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks.

Service quality: the consumer's estimate of the firm's overall level of quality of services.

Customer satisfaction: the measure of how the needs and responses are collaborated and delivered to excel customer expectation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Meanings of Service Quality

According to Kottler (2001), service is identifiable, intangible activities that are the main object of a transaction design to provide satisfaction to customer. In the same token, Kottler stated, service is any act or performance that one party (firm) can offer to another that is essentially intangible and does not result in the owner of anything its production may or may not be tied to a physical product. Cronorros (2001) stated that service is an activity or series of a more or less intangible nature that normal, but not necessarily take place in the interaction between the customer and service employees and physical resources of goods and systems of service provider which are provided as solution to customer problems.

2.2 Characteristics of Services

(A.Parasuraman, et.al 1985) stated about the characteristics of service quality as follows;

Intangibility: it's impossible for customers to feel, see, and hear, taste or smell a service before they buy it. Service companies can try to demonstrate their service quality, physical evidence, and presentation. (A. Parasurman, et al. 1985, Rev.Esc Enfrem Usp et. al 2013) stated that most services are intangible because they are performances rather than objects.

Inseparability: Service inseparability means that service providers are involved concurrently in the production and the marketing efforts. Services are typically produced and consumed simultaneously. (Caramen 1980, Gronoors 1978, Regan 1963, Upah 1980, as cited by (A.Parasuraman, et. al 1985), quality in service is not engineered at the manufacturing plant than delivered intact to the consumer.

Heterogeneity (variability): each unit of the service is somewhat different from every other unit of the same service because there are many factors like human factor in production and delivery.

Delivery of services differ time to time, customers cannot be perceived the same type of service

all the time because there is difficult to perform same kind of performance and delivering activity all the time, one employee even perform differently with different customers.

Perishability: services are highly perishable because the existing capacity cannot be stored or inventoried for future use. Service cannot be stay for long as some other products are stayed long last. Services cannot be stored.

Service quality is defined as the degree of contradiction between customer's perception of service performance and their normative expectation of service (A.Parasuraman, et.al 1985, Oksana Mont, Andrius Plepys et. al 2003). Service quality is attributed with different angles which quality is defined by a customer not by a producer or a seller, no matter what a provider is certain about a service or product offered for its consumers, but customers have a power to define and evaluate the service quality not the provider. The other point is customers assess service quality by comparing their expectations to their perception of how the service is performed (The American Customer Satisfaction index, 1996). Customer's eye and perception matter. If the customers perceived the service as their expectation, the service they required is excellent and if they perceived not to their level of expectations, they might give low value for the service. Only customer's perception utmost expectations they will be recommend it to their peers and friends. Expectations shape a customer's perception of the product and service/ firms performance.

Customers will not always spread positive word of mouth to others, but also will reduce the cost of acquiring information therefore, maintaining a loyal customer base has become a meaningful strategic for the service providers in order to survive and succeed in the competitive market. Companies should always treat customers with utmost performance to keep their good will and retain their customer to the last. However positive word of mouth has a big effect on the company's competitive advantage the negative word of mouth exceeds than the positive one and it has a great effect on the companies' goodwill and gaining customer loyalty and improving their business. Customer's loyalty is achieved by providing excellent service quality to customers (Chuah Hui et. at 2010) companies should always strive to make their customers happy and satisfied them to retain them with the companies' services for a long time. Customers have always options to shift

but companies has one option, the companies service delivery or performance is poor the customer will shift to other company, the companies might lose their will bargaining power and they also might lose the competitive advantage in the market. The only option for the companies here is to provide a quality services to their customers, because there are plenty of companies out there providing such services in the market. Companies will gain benefit from loyal customers as it helps companies to establish long term relationship with customers, attain business growth, enhance competitive advantage improve performance of the company. Companies must think to their long term business growth, this growth established by the Companies' relationship with their customers. Higher service quality will leads towards higher and positive customer repurchase behavior, this leads customers loyal to the companies because higher service quality primes to customer satisfaction and when there is customer satisfaction and customer perception is very high to the service and that leads customers loyal to the brand.

Service quality is the most important aspect in terms of service deliveries. Customers seek better quality for the price they paid to those companies. The companies ought to fulfill the customers' needs through procurement of good service and system scope. Service delivery process and customer participation in the process are key determinants to quality of service (Silky vigg kushwah). Companies ought to strive their customers' needs and should try to make their customers satisfied. Companies should be eager to stand correct themselves and seeks their customer happiness for the sake of their business growth and expanding their competitive advantage. They need their customers for their existence in the market, however the competition is tough strong companies who have a good relation with their customers and delivers quality service to the market can retain in the market.

Service quality is the comparison that customers make between their expectation about a service and their perception of the way the service has been performed. The quality is depends on the customers perception. Perceived quality determines customer satisfactions (J. Joseph et.al 2000) the quality of service depends on that service consistently conforming to customers' expectation (Olu Ojo. et.al 2010). Customer centered companies have emphasized a better understanding of customer needs and wants and then translated them into the capability to give customers what they really need and want. Such companies know their customer inner most feelings and strive to give them what they need and want. Companies increasingly look to quality of services, loyalty and satisfaction as keys to achieving market leadership understanding what drives these critical

elements, how they are linked and how they contribute to the companies over all equity is fundamental to success(Ac Neilson 2002). Companies need to know what to do and how to accomplish their businesses through delivering good quality of services to their customers. Customer could be attracted with the performance of companies, their relation with customers, their price and the overall engagements with their customers, performance as well as. Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promise. Customer perception is defining companies' service, customers perceived much more than their expectations they remain the companies loyal customer. Companies should be strategic they have not to revealed about their services in high expectations they better perform high with low customer expectation this is how they impress the customers and make the customers to delight.

To evaluate a service is more complex than to evaluate a product because product is tangible and its defects can be detected, its functioning assessed and its durability compared. Conversely service is first purchased and then it's produced and consumed simultaneously and then the possible non conformities are produced and experienced characterizing their inseparability. Services cannot be measured as products can be measured because their unseen and untouch character in nature, it's impossible to measure their character. The intangible nature of service results in a higher level of perceived risks (A. parasuraman et. al 1985).

As (Sandra Jelcic, et. al 2014) cited (Gronroos, 1984), identifies two components of service quality: technical quality and functional quality. Technical quality is related to final outcome and a result of service offering process. Functional quality is related to interaction between a client and service company on process of service provision.

According to Gronroos as cited by Sandra Jecic et. Al 2014, perceived service quality is an outcome of comparison between expected and provided service. In the same token A. Parasuraman perceived service quality is defined as a level of discrepancy between perception and expectations of a client (A.parasuraman et. Al 1988). Low service quality may result in high satisfaction; customers may not always serve the highest quality service. Convenience, price, availability may enhance customer satisfaction. The customer expectation low when serving the service but perceived more than expected, the level of the satisfaction will be high.

A lot of researchers and scholars agreed that service quality is antecedent to customer satisfaction regardless of whether these constructs are measured for a given experience or

overtime (Yonggi Wang, et. al 2004). Quality related factors are the key drivers of customer satisfaction. Customer satisfaction is the effect of quality service of the service provider, service quality leads to customer utmost satisfaction. Demanding customers, keen competition and rapid technological change firms should search for new ways to achieve, retain, upgrade and leverage competitive advantage. The company will retain the customers by using different mechanism in the process of delivering service it should use advanced technology searching what really the customers need. High level service quality exerts strong influence on the overall level customer satisfaction. Giving excellent external service is only possible when there is internal customer service. Internal customer service refers to the wellbeing and positive group dynamics of staff who can work together to help the customers. If staffs are truly happy they will be motivated and committed to share the same joy with external customers. Companies should work on its internal customers, it should find out what might motivated them because when the employees are happy with their work and company the company goal will be achieved they become tend to motivated and committed to achieve the organization goal. worrying

Service quality is an assessment of how well a delivered service conforms to the client's expectations. Service Company or operators often assess the service quality provided to their customers in order to improve their service to quickly identify problems and to better assess client satisfaction. For this reason Kottler mention three things consequently. Accordingly, to effectively manage quality, a service firm should:

- help customers formulate expectations:- customer expectations are based on personal and commercial sources like different advertising activities made by the service provider company, customers come with explicit mind to perceive the service, the service provider should consider this as pertinent and convinces customers what they provide is similar
- With their mouths.
- Measure the expectation level of its target market:- the service provider should collect data bout the expectation and experiences of the customers exposure to information what must be done so satisfy their expectation
- Strive to maintain consistent service quality at or above the expectations level. An organization should assess its quality of services as well as measure its customer's satisfaction, the company knows its customers satisfaction with the services it delivered

an on going basis and correct and improve its services by monitoring performances to retain the customers and create a satisfaction as well. Regarding on this points scholars

- said that the primary emphasis of both academic and managerial effort should focused on determining
- What service quality meant to customers and developing strategies to meet customer's expectations (Valarie A. Zeithaml, et. Al 1996).

According to Rajan Saxena (2006), a service quality can be described as when a firms services which are meet customers perception positively services and qualities are examined by the customers. If the customers have a positive attitude and perception that maintain the customers loyalty for long, whereas when positive perceptions are not confirmed by the actual performance of a firm, dissatisfaction will occur in the customers. Customers are powerful, if their perception is not as they expected after they purchased the services and become dissatisfied they shift to another service provider and go to find out another option. Service quality has been suggested as a strong predictor of customer retention and customer satisfaction. (Mubshhar Mubhar et.al 2014). The service provider should have to look after their customers and their satisfaction level and take measures to fill their gaps about their services because if the customers are not satisfied about the services ultimately they will spread negative words of mouth and cannot be retained as a loyal customer for the company. If the service is having some problem and requires frequent maintenance and support than the customers could go irritated and possibilities of sudden divert is there which lead to the company financial loss and its goodwill as well. As the same time, if the company is expecting positive response from its customers and ready to correct the wrong acts while customers could get dissatisfaction and worry however, if these acts are handled effectively by the company then dissatisfied customers could be converted in to long time loyal customers and retaining them becomes easy.

2.3 Measuring Service Quality

Measurement allows for comparison before and after changes, for the location of quality

Related problems and for the establishment of clear standards for service delivery (A.shaihn). Measuring service quality tends to the service provider what should do to meet customer's perception. service quality has always been a challenge for service providers because of the intangible and most conspicuously the inseparable and heterogeneous nature of service these distinctions enabled the scholars to develop the instrument to measuring service quality called SERVQUAL (Sabrin et, al. 2012).by measuring service quality the service provider seek to the perception and levels of its customers that lead to make a prompt measure to satisfy the customer to keep the organization wellbeing. The SERVQUAL model could be extended to measuring gaps the quality and could therefore be used as a diagnostic tool to enable management to identify service quality shortfalls (P.Ramseook -Munhurrun, 2010).

The SERVQUAL model was developed by A. Parasuraman, Zeithaml and Berry in 1985. The model was used to measure the gap between customer expectation and experience in ten dimensions, (A.parasuraman, et al., 1985).

SERVQUAL is as stated by (Sabrina et.al 2012), it's an acronym derived from the term service quality. (prabha Ramseook et.al 2010) specified this point as the SERVQUAL model proposes that customers evaluate the quality of services on five dimensions and it consists of 22 statements for assessing consumer perceptions and expectations regarding the quality of service. The SERVQUAL model has been used to measure service quality in a variety of contexts, such as tangibility concerns the physical facilities, equipment, personnel and materials that can be perceived by the five human senses. Reliability translated into the ability of the supplier to execute the service in a safe and efficient manner, it illustrates the consistent performance, free of noncompliance, in which the user contrast the supplier must comply with what was promised. Responsiveness refers to the availability of the provider to attend voluntarily to users, providing a service in an attentive manner, with precision and speed of response. Assurance is identified as the courtesy knowledge of employees and their ability to convey trust.

The SERVQUAL model was measuring the service quality through the developed questionnaire and major service dimensions were assessed. Each dimension comprises of a number of constituents that are used to measure the total value. In ten dimensions there were ninety seven

items were included at the first instance. After further empirical tests the dimension were decreased to seven with 34 items and after other empirical tests the 34 items were reduced to 22 items. At the end these 22 items had included under five dimensions.

The SERVQUAL model proposes that customers evaluate the quality of services on five dimensions those are; reliability, responsiveness, assurance, empathy, and tangibles (D.Lukea et.al 2010, Leonrd L.Berry et.al 1985) in the same token (ziman Osmail, et. al 2013) stated that these five components are the most determinant features for the service quality.

Reliability: the service company ability to deliver service on time. It is an ability to perform the promised service dependably and accurately. The appearance of service provider ability to deliver the good service.

Responsiveness: the degree to which customers perceive service providers readiness to assist them promptly. It is willingness to help customers and provide prompt service.

Assurance: the degree to of courtesy of service provider's workers and their ability to communicate trust to customers the credibility competence and security in delivering services.

Empathy: the care and importance the service provider gives to an individual customer. The degree to which specific customer needs and preference can be understood and articulated.

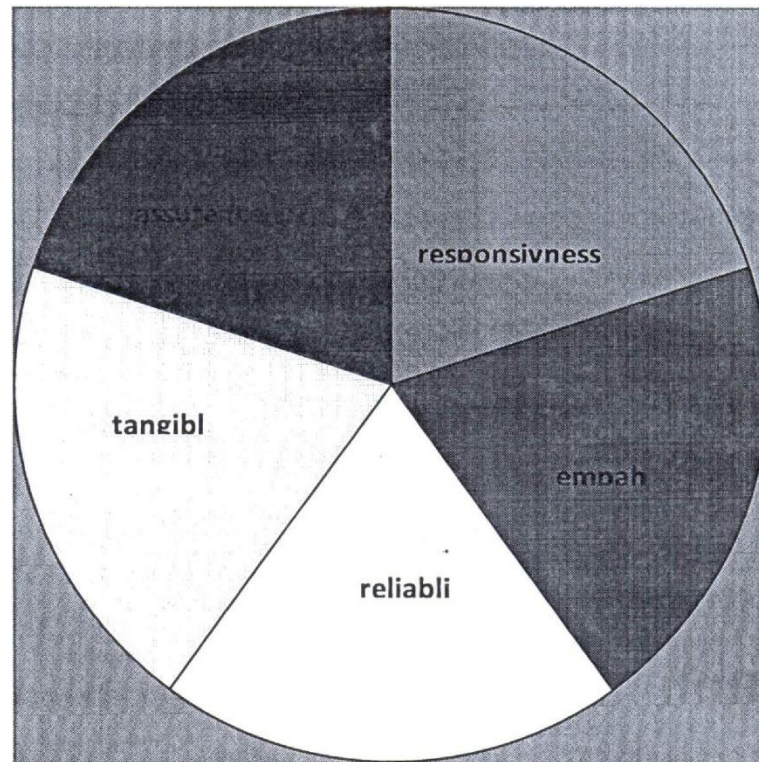
Tangibility: the evidence of facilities, personnel and communication materials used by the company while offering.

A.Parasuraman et, al 1988) stated tangibility viewed as the appearance that service provider gave in terms of good facilities equipment, personnel and communication materials when delivery services. Secondly responsiveness was defined as the willingness of service provider to provide service quickly and accurately.

A number of firms use the SERVQUAL model and in this study the entire 22 components of SERVQUAL are used to measure the service quality in ethio telecom.

The customer's view of service quality

Service quality



Source: Valaire A.Zeithamal, A.Parasuaraman and Leonard L.Berry, delivering quality service, free press, 1990, pp23_ Rajan Saxena Marketing Management 2nd edition.

2.4 Customer Satisfaction

Satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (outcome) to their expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted (Marketing Management 2004).

(Hanad Saleem, et.al 2014), stated that a customer satisfaction is the internal feelings of every individual which may be satisfaction and dissatisfaction resulting from the assessment of service provided to an individual in context to customers anticipation by an organization. Satisfaction will be encouraging when the actual level of services or products is better than the anticipated, whereas when the product or service level is lower than the expected satisfaction will be discouraged. Service quality is the most determinant of the customer satisfaction, the company's activities and performances affects the customer's satisfaction. The expectation of a customer might be higher than the perceived during having the services of a companies but after purchasing the services and products of a company's highly affect their satisfaction, if the expectation level is exceeded than the provided, the customers value for the product and services of the companies will be diminished and they might shift to new companies.

Many companies are aiming for high satisfaction because customers who are just satisfied still find it easy to switch when a better offers come along. Those who are highly satisfied are much less ready to switch. High satisfaction and delight can create the customers loyalty for the product and services one and the only choice and affinity for the deliveries. Many scholars and researchers have agreed that customer satisfaction is the antecedent of customer loyalty. The pursuit of customer loyalty appears to be as essential goal of companies' sustainable advantage and growth. Companies will gain benefit from loyal customer as it helps them to establish long term relationship with customers, attain business growth enhance competitive advantage and improve performance and growth of the company. Unless companies strive to create satisfaction to their customers through using different mechanisms, the companies should get to know their customers feelings about the product and services they intended to delivered widely, they will lose their company, an improve in customer satisfaction is an improve in customer retention, because if the customers are happy and satisfied with the companies service delivery they will remain as a loyal customer to the company.

Customer satisfaction is individual's perception of the performance of the product or service in relation to his/ her expectations. The concept of customer satisfaction is a function of customer expectations. A customer whose experience falls below expectations will be dissatisfied.

Customer whose expectations are surpassed will be satisfied. (Schiffman and Kanuk, 2005). The companies service deliveries should always surpassed the customer expectation about the service. Customer loyalty is achieved by providing excellent services to the customers (Chua Hui et. Al 2011), companies should get to provide the exceeding quality services to satisfy the customers, because customers expectation has an effect on the company's growth, undeniably customer satisfaction appears to be an essential prerequisite for achieving customer loyalty (Hanad Saleem, et. al 2014) cited Julandar et, al 1997, and explained customer loyalty has two magnitude, the first one is behavioral and the other is attitudinal. The behavioral loyalty means the customer is intend to repurchase the brand or service from the service provider over time, whereas attitudinal loyalty means the customer intend to repurchase and also recommend other which is the good sign of customer loyalty. The customer can be a good advertising strategy for the company, the positive and negative word of mouth highly effect the company's growth and retaining customer as a loyal customer.

A company's first' task is to create customers (Philip kottler 2009), it should be find out what kind of customers it's going to have and how it retaining its customers until the last. Customers have a power to retain as a loyal customer the company after their perception of the product and services which they incurred. Customers are value maximizers. They form an expectation of value and act on it. Their expectations determines the probability their repurchase of the products and services. As Philip kottler stated in his marketing management book, for customer centered companies, customer satisfaction is both a goal and a marketing tool. Companies that achieve high customer satisfaction ratings make sure that their target market knows it. An increase in overall customer satisfaction should decrease the incidence of complaints, in customer centered companies complaints coming from the customers are very low comparing from the others, because such kind of companies are always eager to find out where the defects are emerging and solve the problems appeared in their service deliveries, for this matter they establish strong competitive advantage in the market and this helps in their marketing strategy. Customer satisfaction should be paramount for any firms marketing strategy (Anna Margarita, et. al 2015).

(Taloustietelden, et.al 2013), cited Yu and Dean (2001), stated that customer satisfaction has two sides in it, the cognitive component and the emotional component. The cognitive

perspective is customers evaluation of perceived performance in terms of its value and adequacy and contrasting it to their expectations. Emotional component, which includes emotions such as; happiness, surprise and disappointment have a stronger relation with a positive word of mouth, switching behavior and willingness to pay more than the cognitive component. Positive emotions are stronger indicators for loyalty. Emotional components are more related with the customer satisfaction motivators; the company can increase its growth by simply fulfilling the customers' emotional sides and retain the customers as a loyal customer. The company's ability to hear customers' complaints and handle their questions can make the company to expand and create competitive advantage because it has impressed the customers and decrease their disappointments with creating switching costs, happiness so that these reasons can make retain the customer.

Customer satisfaction is a term mostly used in the business and commerce industry. It is a business term explaining about a measurement of a kind of the products and services provided by an organization to meet its customer expectations. Satisfaction is a feeling that surfaces from an evaluation process. Company's success or loss depends up on the product and services they provided to their customers and they always measures the satisfaction of their customers because their company's survival depends on their customers. If they fail to retain their customers, it's obvious that they will be failed and get bankrupted.

Companies should get close with their customers perception, with their products and services in terms of their service reliability because it has a positive relationship between service qualities and customer satisfaction. Assurance has a significant dimension of service quality (A.Parrasuraman et.al 1988). A positive and significance relationship is found between empathy and customer satisfaction because customer satisfaction is significantly impacted by empathy. Mubshar cited wiesekel, et.al 2012. The role of empathy in service quality and its impact on customer satisfaction is that empathy has a positive and significance effect on customer satisfaction and customer retention. If the service provider approach with their customers is attractive, there will be an increase in customer satisfaction.

2.5 Service Quality and Customer Satisfaction

Different researchers agreed that service quality and customer satisfaction are interrelated. (Tan Qing Qing et. Al 2014, Jian Dikh 2015, Fornell, et.al cited by Micahel d.Johnson and Linger Roots) agreed that the service quality provided by the company are interrelated with their customer satisfaction because customers measure and perceived the satisfaction are after they purchase the product or service and they measure the satisfaction level of the products and services. Their perception leads to their consistency as the company product and service user. Customer satisfaction has a strong positive effect on customer loyalty intention across a wide range of product and services categories. (Fornell, et. al 1996) as cited by Anderson Guffsson.

The company can use the service quality as a source of competitive advantage through managing its products and services with fair price, using different technological advantages as well as by handling its customer's complaints wisely. Olle Stromgren, et.al 2007, said that an organization can gain competitive advantage by the use of technology for the purpose of enhancing the service quality by gathering information on market demand. According to Tan Qing Qing, price is one determinant and making the service quality as a source of competitive advantage, the service provider should set a fair price for the products and services it provides for the customers, because customer satisfaction and dissatisfaction can be determined by the price of the products and services. (Tan Qing Qing et.al 2014).

Customers develop their satisfaction based on the subjective or direct comparison between their expectation and perception. Their perception exceeds than their expectation it leads them satisfaction and retained as a loyal and long last customer of the company. Expectation and perception influence customer satisfaction in various scenarios.

As Rajjan Saxeena defined service quality is the difference between customer expectation of the service and perceived service. Customer satisfaction and quality of services have a positive relationship many scholars found the positive relationship of these two, (muzammil hanif 2010) found out that there is a positive relationship between customer satisfaction and service quality, which on the realization of the fact that customer satisfaction is quite essential for the lasting relationship between service organization and customer. They also suggested that satisfied customers are feel valued, valued doesn't Mean that they are just welcomed at the time of purchase. It means they are given importance even in case they are not satisfied with the services of the company or their complaints regarding on every aspects with company's service deliveries.

The high quality relationship with customers is the main influence of a successful service provider which makes the customers retain in the company as a loyal customer.(Albert caruna 2001,) the repeat customer behavior and the organizational commitment with customers, increased customers satisfaction leads to higher customer retention rate, increase customer retention rate, increase customer repurchase behavior and ultimately drive higher firm profitability(olu ojo 2010) organizational outcome such us performance superiority is primarily influenced by service quality.

Ethio telecom has played great role in fostering the growth and prosperity of the economy of Ethiopia by making communication faster than before. Even though it is crucial for development it has got sorts of problems in the mean times. Although service quality in ethio telecom has shown some improvements all customers are not equally satisfied. It is observable that in Ethiopia telecom faces variety of problems which turn may cause customer dissatisfaction.

Customer satisfaction is an important element of every business and a key for achieving organizational objective. Hence it must be well understood and communicated by every individual in the organizational structure. However the company might not satisfied the all customer fully it has to delighted most of its customers accordingly, there is no free error activity, and all the customers are not satisfied equally. The big issue that the company must prove is employees in the organization should be promptly and courteously serve and handle the customers to achieve organizational objective.

Sometimes telecom service providers take 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 particular brand or service (Ahn, Han and Lee, 2006, as cited by Muzammil Hanif, et. al 2010). The telecom companies must strive to fulfill such kinds of gaps while they operating the services to their customers, customers always need dynamic and prompt services from the service providers accordingly. For developing satisfaction among customers, the telecom service provider need to be extra careful for the customer services they provide (Serish Hafeez, et. at 2010).

Although telecommunications industry has undergone a massive change around the world but the aspect of service quality still needs further emphasis in this field (Leisen and Vance 2001, as cited by Abdulrahman Al Aali, et. al 2010), the telecom service providers need to cope up with the dynamical changes assertively, there is global changes in the industry all the time and progression needs with the service providers to sustain competitive advantages and retain their customers.

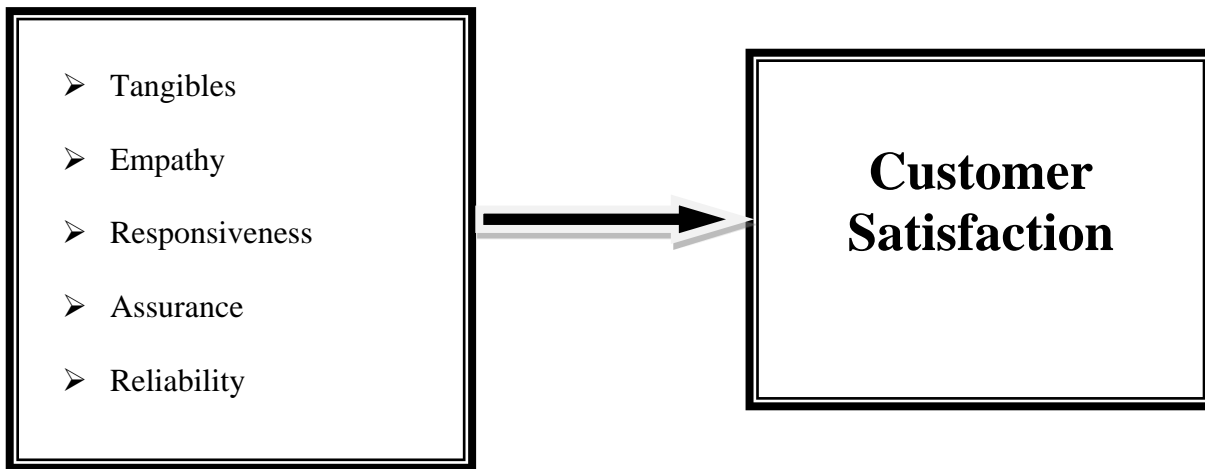
In the same token (Abdulrahman Al Aali, et. al 2013) cited the international telecommunication union, 2009 and stated that Saudi Arabia has improved its position from 73rd in 2002 to 55th in 2007 in mobile telecommunication services. They also stated that the telecommunication companies in Saudi Arabia has boosted in every aspects of telecommunication services over times. It's obvious that Saudi Arabia's telecom companies are becoming competitors through time because of their motives and capabilities to provide better services to their customers and how to handle their customers' requests with their performance of their services.

2.6 Conceptual frame work

A number of studies have identified the links between service quality and customer satisfaction. The framework for the study is the relationship between service quality and customer satisfaction and characteristics or variables determines each of them. The frame work indicates that service quality and dimensions of service qualities are highly determine customer satisfaction. (Rahim mosahab et.al 2010, A.Parasuraman et.al 1990, Azman Ismail et. al 2013, Olu Ojo 2010) found out in their research the all fivefold dimensions of service quality has a positive relationship with customer satisfaction. In addition, mittal and lassar found that there was a relationship between service quality and customer satisfaction. According to the researchers these five dimensions such as empathy, reliability, assurance, tangibles and responsiveness have a strong significance to customer satisfaction, and have benefits to the organization to buy customers mind and heart.

The overall conceptual frame work for this research has revolved the effect of the independent variable on the dependent variable in ethio telecom. Factors that affect customer due to the service qualities such as reliability, responsiveness, assurance, empathy and tangibles are

assumed as independent variables which significantly affect the dependent variable that is customer satisfaction as put in a diagram form below.



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The research was conducted using descriptive research design, where data has been collected from both primary and secondary sources of data. The research design has obtained primary sources of data through administering questionnaires, observation, interviews and through getting customers views by focal group discussions and with employees in the organization. This kind of primary sources of data best suited to collect the data Kothari (2004). Since it gives the researcher a chance to collect primary data from the organisation. In this regard, the researcher has able to interact with the customers who have made it possible to understand the customers' point of views and the service delivery as well. The research has got its secondary sources of data from different kinds of empirical data sources such as books, published journals and annual reports from the company.

3.2 Target Population

The focus of the study was to assess service quality and customer satisfaction in ethio telecom. The operational location of the study has held in Addis Ababa in selected main branches such as EAAZ, CAAZ, NEAAZ, WAAZ, SAAZ, and NAAZ. According to the source data gathered from the respondents the arrangement of the respondents are as follows

| Respondents | Branches | | | | | | |
|-------------|----------|------|------|------|------|-------|-------|
| | WAAZ | CAAZ | EAAZ | NAAZ | SAAZ | NEAAZ | TOTAL |
| Male | 32 | 40 | 33 | 27 | 41 | 42 | 105 |
| Female | 18 | 10 | 17 | 23 | 9 | 8 | 95 |
| | 50 | 50 | 50 | 50 | 50 | 50 | 300 |
| Enterprise | 12 | 6 | 35 | 20 | 19 | 11 | 103 |
| Residential | 38 | 44 | 15 | 30 | 31 | 39 | 197 |
| | 50 | 50 | 50 | 50 | 50 | 50 | 300 |

Source own survey finding

The customer report of ethio telecom data base shows that the current total number of customers to whom ethio telecom is operating telecom services is 52,877,510 customers in all over the country. However this study was focused in Addis Ababa six selected zonal branches such as NEAAZ, CAAZ, EAAZ, NW, SAAZ, and WAAZ.

The target population size was 300 customers as the source data shows that a total of respondents (195 male and 105 female) as well as (103 enterprise and 197 residential) customers were participated in the study.

Among the total 300 respondents, 50 samples were taken from each selected main branches. From WAAZ branch out of 50 respondents 32 are male and the other 18 are female, in addition to this from this branch (WAAZ) 12 of the respondents are enterprise and the other 38 respondents were residential customers. From CAAZ branch 40 respondents are accounted for male respondents and the other 10 respondents were female respondents and from this branch 6 respondents were categorized as enterprise customers and the other 44 customers were

residential customers. Out of 50 respondents based at EAAZ branch, 17 were female and 33 of the respondents were male, in addition to this out of 50 respondents 35 were enterprise as well as 17 residential customers were operated the survey.as per the source data among 50 respondents from NAAZ branch, 27 were accounted for male and the other 23 were female, besides this 20 enterprise as well as 30 residential customers were perted the survey. From SAAZ branch thus,the respondents of male customers were 41 and the other 9 were female, out of this 19 respondents were accounted for enterprise customers and the other 31 were categorized to residential customer. From the selected NEAAZ 42 respondents were female and the other 9 were female, out of this 11 were enterprise and the other 39 respondents are categorized as residential customer.

3.3. Sample Size

As indicated in the above section the target population was 300 customers who were selected from the selected six branches located in Addis Ababa.

The total numbers of ethio telecom customer are very vast in number it's also difficult to reach all customers due to their geographic nature and their number as well. Thu the researcher has distributed the questionnaire to 300 customers who were selected from six main branches located in Addis Ababa ,these includes NAAZ, SAAZ, WAAZ, EAAZ, CAAZ, and NEAAZ in addition 18 staffs of the company has been interviewed. Out of 300 customers 50 of each respondent were taken randomly from the selected branches.

3.4 Sources of Data

Qualitative and quantitative data has involved to examined the effects of independent variables i.e. empathy, reliability, responsiveness, tangibles, and assurance with the dependent variable that is customer satisfaction. Both primary and secondary data sources have been used as well to determine the relationship between independent and dependent variables. The primary data has been obtained through questionnaire and interview.

3.5 instrument for data collection

Both primary and secondary data used to conduct the research. The primary data was collected from customers of ethio telecom. Using structured questionnaire for the customers and interview for employees of ethio telecom customers had examined their views. The structured questionnaire and interview had expected to explored the customers perception, attitudes, expectation and observation about ethio telecom services. Whereas books, journals, annual report of the organization, research articles had been reviewed as a source of secondary data.

1 Table interpretation of the analysis

| Mean Score | Rank | Interpretation |
|------------|--------|---|
| 1.00-3.00 | Low | The quality of services provided by ET is poor, doesn't satisfy customer. |
| 3.01-4.00 | Medium | The quality of services provided by ET is moderate, moderately satisfy customer |
| 4.01-5.00 | High | The quality of services provided by ET is highly satisfy customer high |

Source the researcher own finding

3.6 Validity, Reliability and Ethical Consideration

3.6.1. Validity

Validity is the most important concept that researchers required to deal with. The measuring instrument must be valid so that the collected data lead to a better conclusion. Validity is an indication of how best the research is. Validity in a data collection means that the findings truly represent the phenomenon claiming to measure. If research is invalid it's mostly useless. As

Robert Heale, Alison Twycross , et .al 2015, stated validity as a concept which is accurately measured what the study supposed to measure.

It's important to consider validity and reliability of the data collection tools or instruments when either conducting or assessing research.

There are three measures of validity these are content validity, this category looks at weather the instrument adequately covers all the content that it should respect to the variable. Whether a tool appears to others to be measuring what it says it does.

The other is construct validity; it refers to what extent the research instrument or tool measure the intended concept. There is a reasonable correlation with tests measuring related areas.

The final type of validity is criterion validity. Measures the extent to which a research instrument related to other instruments that measure the same variable.

Internal validity prescribed how an experimental design is structured and encompasses all of the steps of the research method. As Alison Twycross et .al vol 16, 2004 stated this kind of validly as it relates the extent to which the design of a research study is a good lest of the hypothesis.

External validity is the process of examining the results and questioning whether there are any other possible causal relationships. It relates to whether or not research findings can be generalized beyond the immediate study sample. It intends find out that the immediate study is incorporate with another study or the study has relation or, character with different studies.

In this research the collected data is representing the population accurately and the tools and instruments used in data collection are helped on conclusion.

3.6.2. Reliability

Reliability is another term for consistency. If something is to be tested several times and always remain with same result the test is said reliable. The test is said to be valid it ought to measure what tends to measure. It's any significant results must be more than a one off finding and be inherently repeatable. In this study the researcher has included more items in the questionnaire.

The student researcher has used Cronbach's alpha to calculate the internal consistency of the instrument where alpha was computed for the six independent variables as well as the overall assessment as in the below table.

Table 2: internal service quality Measurement of Instrument Summary

| Service quality and customer satisfaction (Independent Variable) Assessment Reliability Test | Number of Items | Reliability statistics (Cronbachs Alpha) |
|---|----------------------------|---|
| 1.1. Reliability | 4 | .762 |
| 1.2. Responsiveness | 3 | .768 |
| 1.3. Assurance | 3 | .745 |
| 1.4. Empathy | 5 | .763 |
| 1.5. Tangibles | 4 | .846 |
| Total | 19 | .809 |

As shown in the above table, the reliability of the scale was determined by Cronbach's alpha method. According to Kotari (2004), the Cronbach's alpha result of 0.7 and above implies acceptable level of internal reliability. The researcher has independently checked the reliability test for each independent variable as the result shows above, each independent variable reliability test has resulted in a value more than 0.777. In addition, the overall result of the questionnaire was tested and the result indicates that questionnaire actually represents the reality of what the researcher has intended to measure with an alpha result of 94.4 percent.

3.6.3 Ethical considerations

Ethical issues are the most prioritized in a research. For good data collection mechanism such kind of ethical consideration should be applied to the researcher, there should not be any force majeure taking from the researcher, there need to get participants confidentiality, openness, their trust and accurate information about the data being conducted.

In this regard researcher need to inform participants about the desired benefit, features, methods and needs of their support about the information. There has to be no insisting of participants while collecting information, rather the researcher need to persuade the respondents about confidentiality of the data and add the participants wisely.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND INTERPRATION

4.1. Presentation of the data

This chapter presents on the breakdown of data gathered from the customers of ethio telecom and the data is presented in table and diagram and then analyzed.

The data were gather through questionnaires.300 questionnaires were distributed to customers served in ethio telecom at Central Addis Ababa zone, East Addis Ababa zone, North Addis Ababa zone, South West Addis Ababa zone, and all the questionnaires were filled up and returned. Relevant documents have been reviewed and, the data and analysis has been presented in two sections.

The first chapter deal with the customers over all demographic information and the second section presents about the service quality dimensions and their effects on customer satisfaction.

4.1.1 Demographic information of the respondents

A total of 300 questionnaires were distributed to six main ethio telecom branches located in Addis Ababa. A total number of questionnaires were filled and returned which are used for the analysis.

The questionnaire seeks basic personal information such as gender, age, customer type information, educational background and time.

Table 3 The demographic information of customers

| Gender of respondents | FRFQUENCIA | PFRCENT |
|---|------------|------------|
| Female | 105 | 35 |
| Male | 195 | 65 |
| Total | 300 | 100 |
| Age of Respondents | | |
| 20-25 | 78 | 26 |
| 26-30 | 103 | 34.3 |
| 31-36 | 73 | 24.3 |
| Above40 | 46 | 15.3 |
| Total | 300 | 100 |
| Types of Customers | | |
| Residential | 197 | 65.7 |
| Enterprise | 103 | 34.3 |
| Total | 300 | 100 |
| Consistency of Using Services | | |
| 1-2 years | 29 | 9.7 |
| 2 4years | 76 | 25.3 |
| 5 7years | 104 | 34.7 |
| above 6 years | 91 | 30.3 |
| Total | 300 | 100 |
| Educational Background Respondents | | |
| elementary school | 26 | 8.7 |
| finished high school | 79 | 26.3 |
| Diploma | 80 | 26.7 |
| Degree | 77 | 25.7 |
| above Degree | 38 | 12.7 |
| Total | 300 | 100 |

Source own survey finding

As table 3 indicates that gender of respondents who participated in the questionnaire. The total number of respondents participated in the research, among them 105 respondents that is 35% of them were female respondents and the rest 65% which are 195 respondents were male. This shows that among the respondents the number of male respondents is greater in number.

The above table shows also ages of respondents. 26% of them which are 78 in number are aged between 20 to 25. Among the participants 103 which is 34.3% of them are ranged in 26 to 30 from the participants 24.3% were aged 31 to 36 and 73 in number. From 300 respondents 46 of them which are 15.3% were aged above 40. This indicates that from the overall 300 respondents the greater number of respondents is fall under the age 26 to 30, which 34.3% from the all respondents is. The second largest age group is 20 to 26, which is 26%; of the respondents; the remaining 29.6% of respondents are fall under in between the age 30 to 36 and age above 40.

As can be observed from the table above the total customer type that are participated in the questionnaire. Among the total 300 respondents 65.7% of them are residential customers and the rest 34.3% are enterprise customers, this shows that residential customers are many in number. The basis of respondent election is that customers has greater in number category can provide a better information than others .on this regards residential customers are exceeds almost two times than that of enterprise customers accordingly.

As shown in the table above out of 300 customers who have participated in the survey, 29(9.7) are service subscribers or customers of ethio telecom for less than one year. While 76(25.3) are subscribers for 2 to 4 years. 104(34.7%) are subscribers for 5 to 7 years and subscribers for more than 7 years are fall under the rest of 91(30.3) customers. Accordingly as the tables shown large number of subscribers are age under 2 to 4 years that is 34.3% from the total respondents and the least is fall under subscribers of ethio telecom services less than for a year which is 9.7% from the total respondents.

The source shows educational back ground of respondents as well. As it indicates 26(8.7%) of the respondents finished elementary school. Among the total 300 respondents 79(26.3%) of the respondents finished high school. 80(26.7%) of the respondents are diploma holders. Among the respondents who are participated in the survey, 77(25.7%) are got first degree accordingly. the last 38(12.7%) of the respondents have above degree. This table indicates that from the total 300 respondents 26.7% , that are diploma holder subscribers are many in number. Among from these subscribers or respondents the least educational background customers are 8.7% of the total respondents who have finished elementary school.

4.2 Assessment of service quality

Service quality is the ability of the organization to meet customer's perception on the service deliveries. According to A. Parrasuraman (1988 et. al) SERVQUAL is compares the customers expectation with the services they are perceived through five dimensions which are responsiveness, assurance, empathy, tangibility and reliability.

The SERVQUAL model has been used in service industries. In this section the model has used as service quality measurement, the researcher tried to assess the service quality of ethio telecom based on the above mentioned measurements.

4.2.1 Reliability of ethio telecom services

Reliability means the ability of service provider to provide the committed services truthfully and consistently. Customers want trustable services on which they can rely. It actually called deliveries of services on time and committed to keep promises that has made.

Concerning reliability issues on service qualities in ethio telecom, customers were asked to put their ideas or agreements on regarding issues. The next table 4 stated the answers of customers and the analysis accordingly.

The average disagreement level of respondents in providing service as promised aspect is 13.3%, strongly disagree respondents in such manner is 22% , agreed respondents are 41.7% and strongly agree respondents for the service deliveries on time aspect take 23% from the all. This shows that

among the customers participated in the survey large amount of customers are satisfied on the deliveries of ethio telecom services on time and the least that is 13.3% of the respondents disagree about ethio telecoms keeping promises and providing service on time and as promised. Customers fall under strongly disagree aspect on dependability in handling customer service problems is 25.3% agreed respondents on such aspect is 41.7%, disagree customers about ethio telecom handling service problem is 17.7% and the rest strongly agreed customers.

Table 4 Reliability of service quality in ethio telecom

| Reliability of service quality in ET | Category | Measures of Data | | | |
|---|-------------------|------------------|------------|---------------|--------------------|
| | | No | % | Mean | Standard Deviation |
| 1.1. Provide services as promised | Strongly Disagree | 66 | 22 | | |
| | Disagree | 40 | 13.3 | | |
| | Agree | 125 | 41.7 | | |
| | Strongly agree | 69 | 23 | | |
| Total | | 300 | 100 | 2.7433 | .95944 |
| 1.2. Dependability in handling customer service problem | Strongly Disagree | 76 | 25.3 | | |
| | Disagree | 53 | 17.7 | | |
| | Agree | 125 | 41.7 | | |
| | Strongly agree | 46 | 15.3 | | |
| Total | | 300 | 100 | 2.5467 | .95439 |
| 1.3. Performing service right the first time | Strongly Disagree | 91 | 30.3 | | |
| | Disagree | 56 | 18.7 | | |
| | Agree | 121 | 40.3 | | |
| | Strongly agree | 32 | 10.7 | | |
| Total | | 300 | 100 | 2.43 | .91354 |
| 1.4. | Strongly Disagree | 94 | 31.3 | | |
| | Disagree | 80 | 26.7 | | |
| | Agree | 98 | 32.7 | | |
| | Strongly agree | 28 | 9.3 | | |
| Total | | 100 | 100 | 2.2467 | .95334 |

Source own survey findings

In ethio telecom handling service problem is 15.3%, this implies that among them large amount of customers are satisfied and agreed on the dependability in handling customer service problems. In the case of performing service right the first time 18.7% of the respondents are disagreed the request, 30.3% of them are strongly disagree it the rest 40.3% are agree with it and 10.7% of them are strongly disagree accordingly, although the service provider company may

fail to satisfy all its customers, on average more customers are satisfied with ethio telecoms performing service right the first time.

Regarding maintaining error free records customers average disagreement level is 26.7% strongly disagreement level is 31.3% agreement level on such aspect is 32.7% and the total strong agreement is 9.3% respectively.

While generating the data that reliability in et) io ethio telecom service qualities, evaluates individuals items that support the variable that is reliability, the researcher has identified that on average customers are satisfied with ethio telecom, the overall mean responses ranging between 2.5 to 4, however the mean has confirmed that on average reliability of ethio telecom services are satisfied customers which the company keeps the promises that are promised to customers, provide service at the right and first time is significantly differs from and the standard deviation confirmed 0.945.

4.2.2 Responsiveness in ethio telecom services

Responsiveness indicates the degree to which customers perceive service providers readiness to assist them promptly. It is the willingness to help customers and provide prompt service. It also shows that how the organization answers and provides a solution for customers concerns quickly.

Regarding the willingness of ethio telecom services and employees, respondents are asked to answer questions according to the responsiveness terms. The next table shows that customers responses and the overall analysis on the stated dimension.

Concerning on willingness to help customers with in ethio telecom staffs 17.7% are responded disagree 29.3% is turning on strongly disagree the left 40% are take the respondents who are agree with it and 13% remaining are strongly agree level. Regarding on the issue large amount of respondents are responded that ethio telecom staffs are concerned and willing to help customers promptly.

Table 5 responsiveness in ET service

| Reliability of service quality in ET | Category | Measures of Data | | | |
|---|-------------------|------------------|------------|---------------|--------------------|
| | | No | % | Mean | Standard Deviation |
| 1.5 Willingness to help customers | Strongly Disagree | 88 | 29.3 | | |
| | Disagree | 53 | 17.7 | | |
| | Agree | 120 | 40 | | |
| | Strongly agree | 39 | 13 | | |
| Total | | 300 | 100 | 2.4833 | .93056 |
| 1.6 Keeping customers informed about when the service will be performed | Strongly Disagree | 73 | 24.3 | | |
| | Disagree | 33 | 11.0 | | |
| | Agree | 148 | 49.3 | | |
| | Strongly agree | 46 | 15.3 | | |
| Total | | 300 | 100 | 2.6900 | .86200 |
| 1.7 Prompt service to customers | Strongly Disagree | 77 | 25.7 | | |
| | Disagree | 51 | 17.0 | | |
| | Agree | 130 | 43.3 | | |
| | Strongly agree | 42 | 14 | | |
| Total | | 300 | 100 | 2.5433 | .93329 |

Source own survey finding

Keeping customers informed about when the service will be performed regards on such measures the level of disagreement is 11% from the total respondents whereas strongly disagreement level takes 24.3% the level of agreement level is 49.3% and 15.3% fall under the level of strong agreement. This shows that concerning on the time of exploited the service customers are satisfied or agree on regards.

Concerning on prompt service to customers the level of disagreement is 17% whereas the level of strong disagreement is 25.7% the agreement level of the respondents take 43.3% and the rest 14% of respondents are strongly agree accordingly.

The overall responsiveness with in ethio telecom service quality is exceeds its customers expectation, on average more than 50% of respondents are satisfied with the responsiveness aspects that ethio telecom deliver to its customers.

4.2.3 Assurance in ethio telecom services

Assurance is the degree of courtesy of service provider's workers and their ability to communicate trust to customers. Employees ability to perform better and

Table 6 assurance in ET service

| Reliability of service quality in ET | Category | Measures of Data | | | |
|---|-------------------|------------------|------------|---------------|--------------------|
| | | No | % | Mean | Standard Deviation |
| 1.8 Employees who install confidence in customers | Strongly Disagree | 89 | 29.7 | | |
| | Disagree | 65 | 21.7 | | |
| | Agree | 105 | 35.0 | | |
| | Strongly agree | 41 | 13.7 | | |
| Total | | 300 | 100 | 2.4067 | .97526 |
| 1.9 Making customers feel safe in their service deliveries | Strongly Disagree | 88 | 29.9 | | |
| | Disagree | 66 | 22.0 | | |
| | Agree | 118 | 39.3 | | |
| | Strongly agree | 28 | 9.3 | | |
| Total | | 300 | 100 | 2.3600 | .92733 |
| 1.10 Employees who are consistently courteous and have a knowledge to answer customer questions | Strongly Disagree | 74 | 24.7 | | |
| | Disagree | 52 | 17.3 | | |
| | Agree | 140 | 46.7 | | |
| | Strongly agree | 34 | 11.3 | | |
| Total | | 300 | 100 | 2.5200 | .90867 |

Concerning on employees who install confidence in customers the level of disagreement level is 21.7% whereas the strong disagreement level is 29.7% the respondents who are agreed with the

statement is 35% and the last 13% fall under strong disagreement level. On such perspective the agreement level respondents are greater than the other.

Regarding on making customers feel safe in their service delivery statements among the respondents who are participated on the survey 22% of them are disagree with the statement accordingly whereas 29.3% of the respondents are fall under strong disagreement level while 39.3% of the respondents take the agreement level and the rest 9.3% is take strong agreement level. This shows that among the respondents who have participated on the survey concerning on making customer feel and confident the level of agreement is greater than among the rest levels.

On the perspective of employees who are consistently courteous and have the knowledge to answer customers questions the level of disagreement is 17.3% among the all participants whereas 24.7% of the respondent level is strong disagreement, the level of agreement is 46.7 and the remaining 11.3% of the respondents is fall under the level of strong disagreement. This shows that the agreement level of the participants are exceeds than the rest levels.

The overall assessment of assurance measurement of the service quality delivery in ethio telecom is going well because from the all aspects under assurance measure customers have guaranteed that they are satisfied with employees have a consistent performance to make customers feel safe and create confidence on customers and make customers perceive positive in their service deliveries. Generated from the mean showed that 2.4 to 4. So the data supports the level of customers satisfaction held by ethio telecom, service quality in ethio telecom has a positive relationship with customer satisfaction. This is confirmed by the standard deviation which is .94.

4.2.4 Empathy in ethio telecom services

Empathy mainly concerned with the care and importance the service provider gives to an individual customer. It shows the value of customers that the services provider aims to give. Customers are value maximizes every attention and values given by the service providers create individual attentions to the service and the company itself as well. Customers are requiring and demanding better services and the goal of business companies must be to make customers feel special.

Concerning on giving customers individual attention the level of disagreement is 16% where as 15% of the respondents are fall under strongly disagreement level, 49% of the respondents agree on it and the remaining 20% of the respondent level is fall under strong agreement level. This implies that giving customers individual attention in ethio telecom is good and the customers are agreeing on it.

Table 7 empathy in ethio telecom service

| Empathy in ET service quality | Category | Measures of Data | | | |
|---|-------------------|------------------|------------|---------------|--------------------|
| | | No | % | Mean | Standard Deviation |
| 1.1 Giving customers individual attention | Strongly Disagree | 45 | 15 | | |
| | Disagree | 48 | 16.0 | | |
| | Agree | 147 | 49.0 | | |
| | Strongly agree | 60 | 20.0 | | |
| Total | | 300 | 100 | 2.7300 | .95925 |
| 1.2. Having the customers best interest at heart | Strongly Disagree | 71 | 23.7 | | |
| | Disagree | 49 | 16.3 | | |
| | Agree | 131 | 43.7 | | |
| | Strongly agree | 49 | 16.3 | | |
| Total | | 300 | 100 | 2.6000 | .94674 |
| 1.3 Employees who deal with customers in a caring heart | Strongly Disagree | 61 | 20.3 | | |
| | Disagree | 44 | 14.7 | | |
| | Agree | 143 | 47.7 | | |
| | Strongly agree | 52 | 17.3 | | |
| Total | | 300 | 100 | 2.6767 | .92826 |
| 1.4. Convenient business hour | Strongly Disagree | 56 | 18.7 | | |
| | Disagree | 47 | 15.7 | | |
| | Agree | 133 | 44.3 | | |
| | Strongly agree | 64 | 21.3 | | |
| Total | | 100 | 100 | 2.7133 | .97347 |
| 1.5. Employees who understand the need of their customers | Strongly Disagree | 51 | 17.0 | | |
| | Disagree | 69 | 23.0 | | |
| | Agree | 128 | 42.7 | | |
| | Strongly agree | 52 | 17.3 | | |
| Total | | 100 | 100 | 2.5433 | 1.02875 |

Source survey own findings

As stated in the source 16.3% of the respondents levelled having the customer best interest at heart is strongly agree, 43.7% is agree with is and the rest 23.7% is fall under the level of strong disagreement and the remaining 16.3% is on disagreement level. This shows that the averages of the respondents are satisfied with the staffs concern about their customers and their ambition to taking care and understand their customer feelings.

Concerning on employees who deal with customers in caring heart perspective from the respondents 20.3% are strongly disagree with it 14.7% is answered disagree the rest of 47.7% is agree with it and 17.3% of the respondents is on strongly agree level. This shows that ethio telecom employees are concerned and caring their customer utmost level and they are filled their customer complaints in a friendly manner and also understand their customers feeling and desire.

Regarding on convenient business hours of ethio telecom shops and offices, 15.7% of the respondents are opposed ,disagree it the telecom service delivery hours and they strongly disagree with it where as 18.7% the respondents are strongly opposed it and the remaining 44.3% is agree with it and 21.3% of the respondents are strongly agree with it. This implies that the agreement level on such perspective is greater than the rest of the levels; it shows that customers are satisfied with ethio telecom service delivery hours and they can get the service on time and any working hours on the day.

As shown in the table above in dealing with employees who understand the need of their customers, among the respondents 23% of them are disagree with the issue while 17% of the respondents are strongly disagree with it, the remaining 42.7% is agree with it and the last 17.3% of the respondents are strongly disagree it. This shows that among the respondents the agreement level is greater than the rest. This implies that employees in ethio telecom understand their customer's utmost interests and try to help them accordingly.

(Hanad Saleem, et. al 2014), said that satisfaction is when the actual level of the services is better than the anticipated. Individual perception of the performance of the service should be exceeds than his or her expectations. Concerning on the issue, empathy of ethio telecom employees are performed beyond the customer expectation and have satisfied their customers. They give their customers attention and try to understand their interests this makes employees satisfied. The overall average variables in empathy are agreed by the respondents this shows that ethio telecom

employees' empathy level is high and in good manner. The overall assessment of the mean regarding on empathy is confirmed is 2.65 to 4 on average. This shows that customers are satisfied however standard deviation confirmed and deviates ranging is 0.967.

4.2.5 Tangibles in ethio telecom service

Tangibility is all about the physical equipment, communication, facilities and appearance of personnel in the service deliveries. (Mubbsher munawar khan, et.al 2014) stated that tangibles are about creating foremost impressions to customers who are using the service.

As in the indicated source, concerning on modern equipment 28.3% is disagree with it while 23.3% is strongly disagree it, 30% of the respondents are agree with it and the remaining 18.3% is strongly agree with it. This implies that the agreement level of the respondents is large in scale than the others. This implies that employees are satisfied and agree with the existence of equipment which is standardized and modern.

Concerning on visually appealing facilities, 16.3% of the respondents are strongly agree with it, 34.7% is on agreement level, the remaining 24% is fall under strong disagreement level and 25% is disagree with it. This indicates that among the respondent customers fall under the agreement level is greater than the others. The customer's response on the facilities that are existed and visually engaging with the service delivery is positive respectively.

Concerning on employees who have a neat professional appearance, among the respondents 22.3% is on disagreement level while 22.3% of the respondents are strongly disagree with it the remaining 38.3% is on the agreement level and strongly agree level of respondents 16.7% respectively. This shows that from the respondents the agreement level of the respondents is greater than the other levels. This implies that ethio telecom employees have an attractive professional appearance regarding on their clothing's and other work related appearances.

Table 8: tangibles in ethio telecom service

| Tangibles in ET service quality | Category | Measures of Data | | | |
|--|-------------------|------------------|------------|---------------|--------------------|
| | | No | % | Mean | Standard Deviation |
| 1.1 Modern equipment | Strongly Disagree | 70 | 23.3 | | |
| | Disagree | 85 | 28.3 | | |
| | Agree | 90 | 30.0 | | |
| | Strongly agree | 55 | 55.0 | | |
| Total | | 300 | 100 | 2.3833 | 1.08334 |
| 1.2. Visually appealing facilities | Strongly Disagree | 72 | 24.0 | | |
| | Disagree | 75 | 25.0 | | |
| | Agree | 104 | 34.7 | | |
| | Strongly agree | 49 | 16.3 | | |
| Total | | 300 | 100 | 2.4233 | 1.03652 |
| 1.3 Employees who have a neat professional appearance | Strongly Disagree | 67 | 22.3 | | |
| | Disagree | 67 | 22.3 | | |
| | Agree | 115 | 38.3 | | |
| | Strongly agree | 51 | 17.0 | | |
| Total | | 300 | 100 | 2.5000 | 1.01987 |
| 1.4.Visually appealing materials associated with the service | Strongly Disagree | 59 | 19.7 | | |
| | Disagree | 93 | 31.0 | | |
| | Agree | 98 | 32.7 | | |
| | Strongly agree | 50 | 16.7 | | |
| Total | | 300 | 100 | 2.3500 | 1.08848 |

source own survey finding

Concerning on visually appealing materials associated with the service on the illustrated table, 31% is on disagreement level while 19.7% is on strongly disagreement level the remaining

32.7% is goes to agreement level and 16.7% of the respondents are strongly agree with it. The level of respondents on agreement is high in such regards. This shows that customer perceived value is greater than their expectation on the needed materials associated with the service, this makes customers satisfied.

Service quality is the most important aspect in service deliveries. The customers perceived service quality should be exceeding than their expectation, this could be achieved by employees in the organization. The employees' performance deployment and physical appearance can affect customer satisfaction. Olu oju et. al 2010, confirmed that delivery of the service consistently meet customers' expectations companies should concerned on their service delivery materials equipment. As can observe from the above analysis the overall empathy concern in ethio telecom is high respectively. As observed from the overall assessment of tangibles in ethio telecom service deliveries, the overall company equipment's are appeal properly, they are associated with the service delivery needs, employees are neat in appearance. The mean range between 2.41 to 4. However there are some elements which dictate tangibles in ethio telecom services the standard deviation result shows 1.057 these deviations are high with modern equipment, visually appealing facilities.

4.3 The Level of Customer Satisfaction in Ethio Telecom

Customer satisfaction is very important because that would create loyalty among customers and competitive advantage to the organization. If the organization able to satisfy customers and demands, the customers would be retain with the company for a long time.

Five service quality dimensions such as empathy, responsiveness, reliability, tangibles and assurance are examined to measure customer satisfaction level. These service quality dimensions have determines the customer satisfaction in ethio telecom. The result was assessed in the following way.

Reliability is keeping and fulfilling promises. Its incorporated with companies dependability in handling customers complaints and delivering the service at the right time. Ethio telecom customers have high satisfaction level. As per the result found out of the all respondents 53% are satisfied with reliability of ethio telecom services.

Customers need to get attention and answers for their complaints on time. Responsiveness is the level of readiness to assist customers promptly. Results showed that ethio telecom service quality meets customer satisfaction with responsiveness and customers are happy about the service. Willingness to help customers, prompt services is satisfied customers in ethio telecom accordingly. Out of all respondents 58% of the customers are very satisfied with ethio teleocm service deliveries.

Courtesy of service providers, ability to perform better and convince customers is included in assurance. Assurance is making customers feel safe. As per the respondents conclusion ethio telecom is qualified to meet customer satisfaction in this regards. Resulted showed that among the overall respondents 51.4% of the respondents are feeling safe and have no complaints on ethio telecoms pledge. Thus, this shows that perception of service quality is exceeds than their expectation of the service quality which is provided by ethio telecom.

Empathy of service provider has a major role in customer satisfaction. Empathy of ethio telecom employees has boosted their customer satisfaction. As per the result found employees are giving customers attention and understand their complaints in a caring heart, they are helping customers conveniently, and helping customers with full knowledge about the services these quality of employees makes the customers satisfied and enjoyed the service quality of the organization.

Tangibles of the service play a pivotal role in creating customer satisfaction. The company should give emphasis to the material that employees are use on their service providing activities. Customers are satisfied about tangibles of ethio teleocm services and have no complaints about the equipment and related activities of the organization.

4.5. Qualitative data analysis

Data is collected from staffs 4 of the staffs are experienced less than a year. 3 of them have 1-3 years' experience, 9 of the staffs have 6 years' experience respectively and 2 of them have more than 6 years' experience.

1. How do you rate the level of customer satisfaction?

- Customer satisfaction leads customer retention and increase competitive advantage. Most of the customers are not satisfied with ethio telecom service deliveries. They have been complaining about different ET's services such as poor network qualities, data required bundles, value added services and so on. Their satisfaction level is poor.

2. What are customers mostly complains about, such as tangibles, responsiveness, reliability, assurance and empathy?

- Customers have complaints on ethio telecom service deliveries. Reliability is the most which is customers are complaining about. Reliability is concerned with providing service and keeping promises. As per the survey ethio telecom failed to meet customers satisfaction in such concerns.
- Empathy and tangibles are the next which creates less satisfaction among employees. Empathy is more concerned with the care and importance that the service provider gives to its customers and tangibles is mainly focused on the evidence of facilities equipment and communications used by the service agent while offering the services. Customer complaints on employees courtesy they deploy while they performing, understanding their needs and their convenient business hours.
- Employees have moderately satisfied with assurance of ethio telecom service qualities. Employees have the knowledge and experience to solve customers' problem and they have a capability answering customers' questions.

3. Do you think customers get a solution about their complaints on time?

- The answer is no, customers are waiting long to get a solution for the questions and complaints they raised. The problem solving time is time taking and it doesn't consider customers time.

4. Do you think the complaint handling methods are effective?

- The complaint handling methods and mechanisms are ineffective. Methods which deploying in the company are ineffective that doesn't considerate customers feelings, needs, times and so on. By this reason customer complaints are increasing in men times.

5. How do you rate the levels of customers' complaints?

- The levels of customer's complaints on ethio telecom service deliveries are high. Customers are complaining in every aspect which the company service providing. Less satisfied customers are always raise complaints and say bad words about the services. This is what customers are doing on ethio telecom services. They have complained about the quality of service, network, problem solving time, prices and

CHAPTER FIVE

SUMIVIARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of major Findings

The aim of the study was to examine the, effects service quality and its dimensions on customer satisfaction, as well as the relationship between service quality and customer satisfaction. The following points are tapped as the major finding.

- Majority of the respondents in the survey were male respondents. Male contribution was higher than female respondents they were cooperative to fill all the questionnaires with no doubt and hesitation rather enjoyed the questions asked to fill.
- Residential customer number is exceeded than enterprise customers. Residential customer number is higher in every branches selected to be examined.
- The levels of young customers who are using ethio telecom services are taken the premier place. According to the survey found young customers number are taken the lion share to obtain the organization services and their consistently enjoyed it.
- A few numbers of respondents who have finished elementary school has found from the survey. Their number is very small than the others.
- Maintaining error free record was one measurement of service quality, from the respondents answer obtained from the survey, ethio telecom is poor in maintaining error free records while offering the services.
- Ethio telecom has keeps its words. Most of the respondents replied that the organization provides the service as promised and on the time.
- The mean score of the responses are ranging between 2.3 to 2.7, which indicated the customer satisfaction level is carried moderately.
- The standard deviation of the responses is .94.

- Customers are satisfied with ethio telecom reliability of the services.
- Majority of the respondents are implied that ethio telecom is successful regarding with willingness to help customers. They have replied and happy about the customers devotion to help customers and their charismatic behaviour accordingly.
- Customers are believes that ethio telecom has serving customers promptly and give attention to their complaints and solve the problems in short time. As peer the survey found majority of the respondents implied .that ethio prompt service deliveries makes them happy and leads them to consistently use the service.
- Ethio telecom employees have the ability to install confidence in customers. Majority of the respondents are appreciating employee ability of dealing customers and their knowledge on the delegated positions to help customers appropriately. These customers have found their quality best.
- Majority of the respondents are feeling safe in ethio telecom. They have no doubt that their complaints and questions are not going to take a much time to be solved. And in addition to this majority of the respondents are agreed with employee of the organization have made them to feel safe and they are keep enjoying this character.
- The employees approach has a great and significance effect on customer satisfaction. Majority of the respondents are satisfied with ethio telecom customer handling procedures, keeping customers interests in this cases majority of the respondents are implied that they are satisfied with these activities.
- The service providing time has effect on customer satisfaction. Majority of the respondents replied that ethio telecom has convenient business hours. This makes employees utmost satisfaction level as per the customer responses they have got a convenient time to be served.
- Majority of the respondents showed that ethio telecom has not used modern equipment to operate the services. They have inferred that ethio telecom services equipment are obsolete and makes them a little bit unhappy.

- Majority of the staff respondents are showed the customer's satisfaction level is poor in the organization service delivery processes. They implied that most of the customers are complained about the overall service quality of the organization and they themselves also not happy about the organization service quality level.
- The overall assessment of the research has found out that ethio telecom customers are satisfied with ethio telecom services and the overall delivery process and they have enjoyed.

5.2. Conclusion

Based on the results obtained from the respondents, the following conclusions are made.

- Service quality is the most important aspect in terms of service deliveries. From the result found ethio telecom service deliveries meet the required standard. According to (A.T Kearney et. Al 2013), measurements of standards for service deliveries in telecom sector are stated as fixed line telephone, universal services, mobile telephone and internet, in such services the company service delivery has to be delightful to meet the required standard. Thus, the company is engaged to meet these standards in terms of performance, relation and over all engagement with customers while delivering services, and price. As per the respondents view and their satisfaction level in such standards, ethio telecom is successful.
- The level of customer satisfaction is determined by customer's expectation of the service and their perception of the services. If their perception is exceeds than their expectation it leads them to satisfaction and vice versa. Expectation and perception influence customer satisfaction. The service of ethio telecom is capable to lead customers in to satisfaction. The level of their perception exceeds than their expectation.
- Service quality and customer satisfaction are interrelated, because customers measure and perceive the satisfaction after they purchase the product or service, and they measure the satisfaction level of the product and service. In ethio telecom the level of customer satisfaction is high due to the quality of the services. The company service quality is

demanded by the customers. Thus, this service quality level is measured in terms of reliability, assurance, empathy, responsiveness and tangibles. These extents are enabled to assess the customer perception and expectations regarding to the service quality. The level of customer satisfaction getting from the quality of the services in the stated measurements are high. This implies service quality determines customer satisfaction and they are interrelated.

- Employees have a significance role in customer satisfaction. The service quality level is determined by the employees performance level. Service quality dimensions are reliability, assurance, empathy, tangibles and assurance. As these measurements are operated by employees who are assigned to deliver the service have responsibility to perform the service accurately and appropriately. Employees must have a good caring heart, need to improve confidence in customers, consistently courteous and eager to help customers. These kind of treatments lead customers utmost satisfaction, because it feels customers to feel valued and positive attachment with the service provider. If customers in utmost satisfaction level, the service providing company competitive advantage

5.3. Recommendation

Based on the conclusion made, the following recommendations are forwarded in order to reduce the customers' complaints on the basis of service qualities delivered by ethio telecom as well as maximizing customer's satisfaction in order to increase organizational good will in the society, reliability as well as business demands and growth to the company.

Ethio telecom better strive deliver reliable services to its customers, in this research the respondents had agree with ethio telecom reliability of services, however the employee respondents were arguing that as if customers are complaining about the reliability of ethio telecom service deliveries, and they have strongly opposed that customers are not happy with the promises ethio telecom has made to its customers, they mentioned that the promises are never kept. So as ethio telecom is a monopoly company in the country it has a variety of options to deliveries services and using different checking methods what has to be taken to make the customer in to satisfaction and take some sound decisions in order to achieve its objectives.

The existence of a company is based on the customer's willingness to perceive the products and services provided by the company. Although respondents have responded their perception of the service meets their expectation, some of them even suggested that it exceeds than their expectations. But the employee's idea on this regard is very different; they mentioned that customers have always complaining about the services and not satisfied as well. The company can be successful while it keeps its trustworthiness with in customers mind and heart, the company can be successful through taking the customers concern a source of change agent.

Providing standard quality services determines customer's satisfaction. Customer satisfaction is the base for positive relation between service provider and customer relation. Customer have said their relation with the company is positive and certainly happy where as employees concluded that customers would shift if any other telecom provider existed in the country, this shows that customers are not happy with ethio telecom services. As ethio telecom is huge telecom Provider Company in the country, it can vanish such kind of attitude from its customers mind through using standardize quality services and equipment. Can find out what is customers need in the business and give a solution for that make retain customer's for long time.

AAUSC, researcher team has conducted customer satisfaction survey/ national on Dec 2016. The survey has declared the overall customer satisfaction level on residential customers. The research has found out that the respondents rated the overall quality of information received from ethio telecom low both in terms of the quality, clarity and reliability. As ethio telecom is a monopoly telecom provider company in the country, it qualified the overall service deliveries processes and price and regarding issues. There are some big issues needs to be further studied. Such as price of services, network qualities that customers are complaining the most, value added services are emphasized a further study.

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Ethio telecom provides an integrated telecom services. The following tables illustrate the tariffs of the services.

Tables on Some Service Tariffs

3G internet package tariff

One off fee (subscription fee)

| Subscription type | Subscription fee |
|-------------------------------------|------------------|
| 3G package without modem (sim only) | 30 bin |
| 3G package + dongle | 699 birr |
| 3G package + W i-Fi router | 1589 bin |

Table

4G LTE internet package tariff

One off fee (subscription fee)

| Service type | Subscription fee |
|---------------------|-------------------------|
| New 4G sim card | 30 |
| 2G/3G upgrade to 4G | 30 |
| 4G LTE dongle | 2200 |
| 4G LTE Wi-Fi router | 3999 |

Table 2

Internet service monthly tariff

| Monthly package | Package price/ month in birr | Above package price usage price |
|------------------------|---|--|
| 1 GB | 165 | 0.35 birr/ Mb |
| 2 GB | 320 | |
| 4 GB | 600 | |
| 8 GB | 1000 | |
| 10 GB | 1200 | |
| 20 GB | 2200 | |
| 30 GB | 3000 | |

Table 3

EVDO internet package tariff Subscription tariff

| Subscription type | Subscription fee |
|--|-------------------------|
| EVDO package without Dongle (modem) | 30 bin |
| EVDO package + dongle(modem) | 739 bin |

EVDO monthly usage package

| Monthly package | New monthly package price | 00B usage |
|-----------------|---------------------------|-------------|
| 1 GB | 165 | 0.35/ MB |
| 2 GB | 320 | |
| 4 GB | 600 | |

Table 5

International zone tariff

| Call type | Zone | Continent | Price inclusive VAT |
|-----------------------------|--------|---|---------------------|
| International outgoing call | Zone 1 | Asia, Europe, Middle East and North America | 8.63 birr |
| | Zone 2 | Africa, Oceania and South America | 10.29 birr |
| | Zone3 | Special zone | 2100 bin |

Table 6

Fixed broad band internet tariff

Table 7
 Limited fixed broad band internet tariff

| Monthly package | Access speed | Package price | Subscription without CPE | Subscription with CPE | OOB tariff |
|-----------------|--------------|---------------|--------------------------|-----------------------|------------|
| 1 GB | 256 Kbps | 150 | 280 | 580 | 0.23/MB |
| 2 GB | 512 Kbps | 250 | 280 | 580 | |
| 4 GB | 1 Mbps | 400 | 280 | 580 | |
| 6 GB | 2 Mbps | 550 | 280 | 580 | |

Table 7

The questionnaire

This questionnaire is developed to the partial fulfilment of MBA, HRM research paper. I would like to thank you for your cooperativeness to answer the questions. This questionnaire has no legal and political issues regards it's only intended to fill the gap with ethio telecom services. So I confidently guaranty you that there are no bad consequences by answering the questions. Thank you for your time and my sincere request you is to answer the questions honestly and confidentially.

Part I

General questions about the customer

1 sex

A Male

B Female

2 Age

A 20- 25

B 26 - 30

C 31- 36

D above 40

3 customer type

A residential

B enterprise

4 how long you have been serving the ethio telecom offers

A less than a year

B 2- 4 years

C 5- 7 years

D above 7 years

5 educational back ground

A finished elementary school

B finished high school

C have diploma

D have bachelor degree

E got masters and above

PART II

Answer the questions by putting "X" mark in the respective rating ordered numbers.

The given numbers are rating as follows

4 will take "strongly agree " 3 will be given for agree "

1 will be given for "strongly disagree" 2 will take "disagree"

| Reliability | 4 | 3 | 2 | 1 |
|--|----------|----------|----------|----------|
| - Providing services as promised | | | | |
| - Dependability in handling customers service problems | | | | |
| - Performing service right the first time | | | | |
| - providing services at the first time | | | | |
| - maintain error free records | | | | |
| Responsiveness | 4 | 3 | 2 | 1 |

| | | | | |
|---|----------|----------|----------|----------|
| willingness to help customers | | | | |
| keeping customers informed about when the service will be performed | | | | |
| prompt service to customers | | | | |
| Assurance | 4 | 3 | 2 | 1 |
| employees who install confidence in customers | | | | |
| making customers feel safe in their service deliveries | | | | |
| employees who are consistently courteous | | | | |
| employees who have the knowledge to answer customer questions | | | | |
| Empathy | 4 | 3 | 2 | 1 |
| giving customers individual attention | | | | |
| employees who deal with customers in a | | | | |

| | | | | |
|--|---|---|---|---|
| caring heart | | | | |
| having the customers best interest at heart | | | | |
| convenient business hours | | | | |
| - employees who understand the need of their customers | | | | |
| Tangibles | 4 | 3 | 2 | 1 |
| - modem equipment | | | | |
| - visually appealing facilities | | | | |
| employees who have a neat professional appearance | | | | |
| visually appealing materials associated with the service | | | | |

PART III

Questionnaire for staffs of ethio telecom.

The following question are answered by ET staffs

1 how long you have been working in the company

- A 0-1 year B 1-3 years
C 3-6 years D more than 6

2 how do you rate the levels of customer satisfaction

- A satisfied B not satisfied

3 what are mostly customers are complained about

- A empathy B responsiveness
C tangibles D reliability
E assurance

4 do you think customers get a solution about their complaints on time

- A yes B no

5 do you think the compliant handling procedures are effective

- A yes no

6 how do you rate the levels of customer complaints

- A very low B low C high very high

| | | | | | |
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DECLARATION

I, the undersigned declare that this thesis is my original work, prepared under the guidance of Temsgen Belayneh (PhD). All sources of material 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 institutions for the purpose of earning any degree.

Name

Signature

St. Mary's University, Addis Ababa June, 2017

ENDORSEMENT

This thesis has been submitted to S.t Mary's university, school of graduate studies for examination with my approval as a university advisor.

Temesegen Belayneh

Advisor

Signature

St. Mary's University, Addis Ababa June, 2017