

St. MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

ASSESSMENT OF SERVICE RECOVERY PRACTICE: IN
THE CASE OF ETIHO TELECOM ENTERPRISE BROAD BAND
CUSTOMERS

BY:
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MAY, 2013
SMUC
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**AN ASSEMENT OF SERVICE RECOVERY PRACTICE IN
CASE OF ETIHO TELECOM ENTERPRISE CUSTEMERS**

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IN MARKETING MANAGEMENT**

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LIST OF AVRIBETIONS AND ACRONIMS

ADSL	Asymmetric Digital Subscriber Line
AU	African Union
BB	Broadband
CDMA	Code Division Multiple Access
CPE	Customer Premises Equipment
CSR	Customer Service Representatives
DRMAS	Digital Radio Multi Access System
EEC	European Economic Commission
ET	Ethio Telecom
ETA	Ethiopian Telecommunications Authority
ETC	Ethiopian Telecommunications Corporation
EU	European Union
EVDO	Evolution Data Optimized
FWA	Fixed Wireless Access
GOTA	Global Open Trucking Architecture
GSM	Global System For Mobile Communication Service
HF	High Frequency
IS	Information System
ISDN	Integrated Services Digital Network

LAN	Local Area Network
MVPN	Mobile Virtual Private Network
NGCC	Next Generation Call Center System
NGOs	Non Governmental Organizations
NNOC	National Network Operations Center
PTO	Public Telecommunications Operator
SME	Small And Medium Enterprises
SMS	Short Messaging Service
SOHO	Small Office Home Office
TT	Travel Ticket
TV	Television
UN	United Nations
UNECA	United Nations Economic Commission For Africa
USA	United States Of America
VPN	Virtual Private Network
VSAT	Very Small Aperture Terminal
WCDMA	Wideband Code Division Multiple Access

Executive summary

This study made an assessment of service recovery practice: in the case of Ethio telecom enterprise broad band customers. The study focused on assessing the broadband service recovery system of Ethio Telecom.

The study adopted a mixed methods research approach (quantitative and qualitative approach) to achieve the objectives of the study and answer research questions. Specifically, the study used questioner to assess the service recovery performance of Ethio telecom by stating diverse questions from different perspectives. Interview was also conducted with the customer relation manager of Ethio telecom (enterprise division).The study also employed consultation with secondary data's. The qualitative data's were analyzed thematically by using percentages and tabular presentations.

The findings of the study is enterprise customers are not satisfied with the employees of Ethio telecom that are engaged in service recovering process and on the employees readiness to help customers on recovering the problems they encounter as well as the employees lack of technical knowhow on how to recover service failures.

The equipments and technologies used by Ethio telecom are not modern which makes service recovery process difficult as well as time taking.

The expected time of service failure resolution is not properly communicated to customers although the working processes indicated that expected time of trouble ticket resolution will be informed to customers.

Chapter One

Introduction

1.1 Background of the Study

Service recovery refers to the actions a provider takes in response to a service failure (Grönroos, 1988). A failure occurs when customers' perceptions of the service they receive do not match their expectations. According to this definition, service recovery is not restricted to service industries, and similarly, empirical research shows that dealing with problems effectively constitutes the most critical component of a reputation for excellent (or poor) service for a broad range of industries. Thus, any company that serves external or internal customers must accept that failures happen and institute systems and processes to deal with them (Johnston, 2001)

The goal of service recovery is to identify customers with issues and then to address those issues to the customers' satisfaction to promote customer retention. However, service recovery doesn't just happen. It is a systematic business process that must be designed properly and implemented in an organization. Perhaps more importantly, the organizational culture must be supportive of idea that customers are important and their voice has value. Service recovery relates to customer satisfaction with and without a product failure. It states that with a highly effective service recovery, a service or product failure offers a chance to achieve higher satisfaction ratings from customers than if the failure had never happened. A little bit less academically, this means that a good recovery can turn angry and frustrated customers into loyal customers. In fact it can create even more goodwill than if things had gone smoothly in the first place (Boshoff, 1999).

Nevertheless, not all service recovery efforts will lead to increased satisfaction ratings as several studies have already shown. The key is to understand that there are certain situations when it is highly likely that a service recovery will lead to increased customer satisfaction. Service recoveries that are likely to be efficient are obviously those where the service failure is perceived to be not systematic or that the company has little control over it. But even in cases when there is a systematic failure and the company has control over the failure, there is a benefit when service

recovery activities are put into action to ensure that one can win back customers and that the source of failure is eliminated /Robert,1995.

Telecommunications infrastructures are assigned a special position in policy partly because of their important roles in the everyday functioning of society. In addition to the direct effects of loss of service, failure of the telecom infrastructure cripples coordination capabilities, significantly hindering rescue and recovery operations. Effective disaster preparedness and recovery is a socio-political objective that any government must attend to, under whatever industrial structure. In the case of government- or private-monopoly provision, the government may issue general directives to the management, directly intervene in management functions under “emergency” conditions, and assume all or the bulk of disaster recovery costs/ Rajasekhara, 2010.

The introduction of telecommunications services in Ethiopia dates back to 1894, when Minelik II, the King of Ethiopia, introduced telephone technology to the country. However the first Ethiopian pioneer of telephony was his cousin Ras Mekonnen who came back with telephone apparatus in 1889 after his visit of Italy and established a company. The company was placed under government control at the beginning of the twentieth century, and was later brought to operate under the auspices of the Ministry of Post and Communications. In 1952, telecommunications services were separated from the postal administration, and structured under the Ministry of Transport and Communications. The Ethiopian Telecommunications Corporation is the oldest Public Telecommunications Operator (PTO) in Africa.

Under the Derge Regime the Ethiopian Telecommunications was reorganized as: Ethiopian Telecommunications Service from October 1975 to February 1981; and Ethiopian Telecommunications Authority (ETA) on January 1981. It retained this name until November 1996. The Ethiopian Telecommunications Service as well as the Ethiopian Telecommunications Authority (ETA) was in charge of both the operation and regulation of telecommunications service in Ethiopia. The Ethiopian Telecommunications Authority was replaced by the Ethiopian Telecommunications Corporation (ETC) by regulation number 10/1996 of the Council of Ministers to which all the rights and obligations of the former Ethiopian Telecommunication authority were transferred to the Corporation.

There are 966 public service stations and exchanges across the country. The number of rural kebeles - the lowest administrative unit - with telephone access increased from only 60 in 2004/05 to 8 676 in 2007/08, and the target is to provide access to telecom services to all 15 000 rural kebeles by 2010. By the end of 2007/08, the number of cellular telephone (mobile) subscribers increased nearly five times from the 2004/05 level, reaching 1 954 527; the number of broadband customers reached 1 496, up from only 65 in 2002/03; and the dial-up Internet subscribers were 34 110, almost twice the number in 2004/05. Tele density, excluding mobile phones, has tripled since 2000/01 to reach 1.23 per 100 households in 2007/08. Including mobile phones, tele-density reached 3.88 in 2007/08 from only 0.48 in 2000/01.

1.2 Statement of the Problem

Satisfying a customer is a difficult task, especially when it comes to services, since studies have shown that consumers' level of satisfaction is generally lower for services than products (Andresen, 1977). Particularly in the case of telecom service, where there is frequent service failure, related with network problem and others, occurred. Thus service recovery is a valuable marketing tool which constitutes a second chance for the telecom industry to satisfy the customer. Studies have shown that the outcome of service recovery, whether it is positive or negative, will strongly influence the customer's image of the service provider.

Satisfactory service recovery does contribute to customer retention/loyalty/commitment and other beneficial outcomes, such as positive word-of-mouth communication, trust, enhanced perceptions of the firm's competence, and a favorable image in terms of perceived quality and value. In fact effective service recovery is very profitable. On the other hand, failure to ensure customer satisfaction through service recovery could lead to a decline in customer confidence, lost customers, negative word-of-mouth, possible negative publicity, and the direct cost of re-performing the service (Berry and Parasuraman, 1998).

Ethio telecom is striving to provide quality and variety of telecom services to its customers. As the number of its customers grows overtime, their need for support from the company also increases. The support varies from pre sales to post sales support. Maintaining service related failures is one part of the post sales support the company provides to its customers. The company segments its customers and provides different level of pre and after sales service based on the customer category. Enterprise customers are one part of the segment which gets special attention

from the company. This special attention to the segment also includes giving greater emphasis in maintaining service failures when compared to other customer categories.

Since Ethio telecom is the sole telecom service provider in the county, losing customers will not be an issue to the organization for failure in service recovery, customers' dissatisfaction, decline of customers' confidence on the company and negative word of mouth will be impacts of bad service recovery system. The research problem stated aims to investigate the service recovery performance of Ethio Telecom broad band enterprise customers based on the assessment of service recovery performance of the company. The main problems of the company towards its service recovery specifically are methods of complaint handling mechanisms, the maximum time required to recover service when there is a service failure, lack of employees technical capability to make repair on the technical failures and the type of technological equipments used by Ethio telecom to gratify its customer need.

1.3 Research Questions

- ✚ What is the level of enterprise customer's satisfaction with the broadband service recovery practice of Ethio Telecom?
- ✚ What is Ethio Telecom employee's level of commitment towards service recovery practice for broadband customers?
- ✚ What are the areas that need improvement in relation to the service recovery practice of Ethio telecom?

1.4 Objective of the Study

The general objective of this study is to assess broadband service recovery system of Ethio Telecom enterprise customers.

The specific objectives are:

- ✚ To indicate the level of enterprise customers satisfaction with the broadband service recovery system of Ethio Telecom.
- ✚ To signify employees level of commitment and knowledge towards service recovery.
- ✚ To identify areas of improvement related with service recovery problems.

1.5. Significance of the Study

The findings of the study will help the company to identify the gap between customers' expectation towards the service recovery and the actual performance. So it is the belief of the student researcher that this paper will serve as an input for Ethio Telecom in making further survey with related issues. Furthermore, this study helps to advance the academic scope and to widen the student researcher's knowledge on the raised issue.

1.6. Delimitations of the Study

The study is undertaken to assess the level of broadband service recovery performance of Ethio Telecom. The study is limited to enterprise broadband subscribers that get the service from the Ethio telecom branch office found at the Churchill road and the enterprise customers that have started getting the service from 2002E.C till to date.

1.7. Research Design and Methodology

The principal aim of this study is to investigate Ethio Telecom enterprise customers' perception towards Broad band service recovery system. For successful accomplishment of this objective descriptive research method was used which consisted of a quantitative survey.

1.7.1. Sampling Designs and Sampling Techniques

The student researcher applied probability (stratified random sampling) method because enterprise customers have five sub divisions. The study considered a total of 1022 enterprise customers of which financial institutions 79, government administration 154, service enterprise 340, production enterprise 125 and international organization and embassy enterprise customers 324, the student researcher applied a simple random sampling in case to study each strata in each division and also to fulfill the minimum sampling criteria of 30%. The sample was taken from the main Enterprise customers' service encounter, Enterprise division office at Churchill road because it is the only enterprise center office. The questionnaires were filled by volunteer enterprise customers on the service encounter.

Respondents were from the two major categories of enterprise customers which are Key accounts and small office home office or small and medium enterprises (SOHO/SME). The key

account customers are further decomposed in to five sub categories which include Financial Institutions, Service Enterprise, Production/Manufacturing, and International Organizations& Embassies and Governmental institutions.

The SOHO/SME comprises of the small office home office and small medium scale enterprises which have trade license of the country, religious organizations, small NGOs, commercial buildings etc.

The study incorporated all types of enterprise customers in the sample study.

1.7.2. Types of Data Collected

In this study both primary and secondary source of data were used. The primary data's were collected from enterprise customers through questionnaires and interview with the customer relation manager of Ethio telecom (enterprise division). In addition, the study deems secondary data from previous researches and service recovery procedures of the company.

1.7.3. Methods of Data Collection

Questionnaires and interview were developed and customized by referring to previous studies conducted on related subjects. Both close ended and open ended question types were used to extract potential information

1.7.4. Data Analysis Methods

For the analysis both the quantitative and qualitative methods were applied. While analyzing quantitative data frequency count and percentages were used whereas data were collected through open ended questionnaire and secondary data were narrated following the result of qualitative data. To present analyzed data tables and percentages were used in meaningful ways.

1.8. Limitations of the Study

In this study, an assessment was made only on enterprise customers from the overall Ethio telecom customers only because of financial, time and resource constraints. The major limitations of the study were broad band in Ethiopia started from 2002E.C so the researcher used a recent data. Other limitations of the study are since the system of broad band being a recent experience to Ethiopia along with absence of sufficient document and research works in the area

it made the review of literature works challenging and time consuming. In Addition because of financial and time constraints the researcher only took a sample of 306 out of the total 1022 broadband enterprise customers.

1.9. Organization of the Study

The remaining parts of the paper are organized as follows: chapter two presents a review of literature and relevant research's associated with the problem addressed in this study. Chapter three focuses on the methodologies and procedures used for data collection and present an analysis, interpretation and presentation of the results. Chapter four reveals summary and conclusion of the researcher's findings and recommendations for future research. The references and appendix are presented at the end of the paper, respectively.

Chapter Two

Review of related literature

2.1 Definition and Purpose of Service Recovery

One way to think about service recovery is that it is a positive approach to complaint handling. Complaint handling has serious negative connotations; whereas, service recovery has positive connotations for it is a proactive solution to service failures. Complaint handling is placating/appeasing people, minimizing a negative. Service recovery practices are a means to achieve the potential, latent value a customer holds for a company by fostering an ongoing positive relationship. Service recovery has a secondary value. It creates positive word-of-mouth about your company and minimizes the bad spin that lack of service recovery practices can create.

According to Stefan Michel, David Bowen and Robert Johnston, (2006), Service recovery refers to the actions a provider takes in response to a service failure; a failure occurs when customers' perceptions of the service they receive do not match their expectations. According to this definition, service recovery is not restricted to services industries. These Authors' assessments of empirical researches show the reasons for Service Recovery Engagements are:

- Dealing with problems effectively constitutes the most critical component of a reputation for excellent (or poor) service for a broad range of industries.
- Any company that serves external or internal customers must accept that failures happen and institute systems and processes to deal with them.
- Because bad service experiences often lead to customer switching
- To prevent a loss in customer lifetime value
- Favorable recovery has a positive impact on customer satisfaction
- To get favorable word-of-mouth behavior

The goal of service recovery is to identify customers with issues and then to address those issues to the customers' satisfaction to promote customer retention. However, service recovery doesn't just happen. It is a systematic business process that must be designed properly and implemented in an organization. Perhaps more importantly, the organizational culture must be supportive of

idea that customers are important and their voice has value. The process property implementing with production and consumption of service product makes service failure inevitable, so the “zero failure” of service quality will never happen, and the service industry has to face the problem how to make customers “secondary” satisfaction when failure occurs in the service (Qing Cong and Jianbo Fu, 2008). According to the same authors findings’, although some studies show that good initial service is better than an excellent recovery, other empirical work suggests that an excellent recovery can lead to even higher satisfaction and loyalty intentions among consumers than if nothing had gone wrong in the first place; and the latter phenomenon is usually referred to as the “service recovery paradox”.

2.2. Why Service Recovery?

Every company has something of value it can give to a customer who has experienced a problem. It can cost the company from nothing to a few dollars but, as long as it has value in the customer’s eyes, it will be effective”(Tschohl, 2008).

Service recovery has received attention for over 20 years within service management and service marketing. Since the cost of gaining a new customer usually greatly exceeds the cost of retaining a customer (it is often stated that it costs five times as much to attract a new customer as maintaining one), managers are increasingly concerned with minimizing customer defections. According to (De Matos et al, 2007) the major four effects that service failure and subsequent recovery have on customers’ loyalty towards the service of a company:

1. Service failure has a negative effect on customer loyalty intentions.
2. Failure resolution has a positive effect on loyalty intentions.
3. Customer satisfaction with the recovery has a positive effect on loyalty intentions.
4. Outstanding recovery results in loyalty intentions which are more favorable than they would be had no failure occurred.

Whereas the three first findings could be expected, the fourth is somewhat of a surprise and has become known as the service recovery paradox. The service recovery paradox means that a customer might be more satisfied with a company although they didn’t deliver on their first

attempt than if they had delivered the service without errors, if the recovery action is perceived as very good

2.3 Service Recovery Strategies

“The customer is king” is a saying often heard in the retailing industry. This is why many retailers are service oriented. But even when focusing on the customer’s needs, different problems might always occur that affect the customer’s satisfaction (Robbins and Miller, 2004

In this case, an effective service recovery strategy is needed. Different service recovery strategies as well as customer satisfaction in general have been discussed academically in the past as a connection between different service recovery strategies and the customer’s satisfaction has been established in these studies, the importance of good service recovery strategies was underlined. In addition (Reichheld and Sasser, 2000) argue that it is just as important to maintain current clients as it is to recruit new clients.

In the past different effects of good service recovery strategies were identified: Keeping a customer loyal (Buttle and Burton, 2002), thus implying cost savings as for not having to attract new clients, keeping the customer satisfied and committed (Bejou and Palmer, 2003). Some last positive outcomes of effective recovery strategies include a stimulus on the repurchase intention of the customer as well as influencing the positive word of mouth spread about the service provider (Holloway and Beatty, 2003; Maxham and Netemeyer, 2002).

2.4 The Steps of Service Recovery

According to Schoenberg Consulting firm (2006), the service recovery process consists of the following five steps:

1. Apologize.: Start by telling the member, personally and sincerely, "I'm sorry." Members don't care whose fault the problem was - they want someone to champion their cause. So sincerely apologize on behalf of the credit union and take responsibility for the error.

2. Listen and Empathize: You need to listen, and you need to care. These are the tools for service recovery. Avoid using phrases such as, "I understand" and "I know how you feel.". There is no way you can understand how someone else feels. Instead try, "I can only imagine how you

feel.", "That's got to be so frustrating.", or "What an unfortunate situation". Listening and empathizing helps members unwind and feel like they are being understood.

3. Fix the Problem: Once made aware of the situation, the employee must do whatever is necessary to resolve the problem, as quickly as possible. One of the most effective ways to move forward is to ask the member what he or she would like to have happen. To solve problems, employees must be empowered. They must be able to bend and break the rules in order to satisfy the member. However, most of the time, all the member wants is what they originally asked for.

4. Offer Atonement: A recovery process will be valued by members if it includes, even symbolically, some form of atonement/compensations. "I'd like to make it up to you." The bigger the service problem and the more valued the member, the bigger the atonement will have to be to restore the member to a state of satisfaction. Providing a refund, gift card or other compensation, depending on the severity of the problem, remains a powerful method for service recovery. No credit union can afford to lose members, if only because it costs much more to replace a member than it does to retain one - five times more, most experts agree. A credit union's effort to ensure that its members are satisfied over the long term is rewarded by an increase in revenue through repeat business, referral sales, decreased member maintenance costs, and reduced exposure to price competition.

5. Follow-up: A few days after you feel the problem has been fixed, follow up. Call the member and ask, "Have we fixed everything for you?" and "What else can we do for you?" Make sure they are satisfied.

It is important to create a service recovery process (like above) that includes specifically defined steps that must be followed. Create examples of service recovery with strict instructions for employees to meet or exceed them. For example, in the case of a miss-posted loan payment, offered to let the member skip a payment or give them a gift card. Have pre-printed coupons for a 1/4 % off their next loan or a free order of checks.

Schoenberg states that all employees should be trained to follow the above five steps. Use real examples of complaints in the training. How would you handle it? What could we have done better? Make sure employees understand the extent of their empowerment. If you want to be able

to deal effectively with complaints, it is necessary that you absorb the process. That is something that takes practice.

2.5. Service Quality and Customer Satisfaction

The fact that the perceived quality of the product is becoming the most important competition factor in business world has been the reason of naming the present business era as “Quality Era” (Peeler, 1996). Consequently, service marketing intellectuals and researchers have offered several metaphors of this issue. For example, (Kandampully, 1998) calls it the most powerful competition (weapon and Clow, 1993) calls it the organization’s life-giving blood. Quality is a multi-dimensional phenomenon.

Thus, reaching the service quality without distinguishing the important aspects of quality is impossible. In his discussion of service quality, (Gronroos, 2000) refers to three dimensions of output technical quality, service performance quality, and organization’s mental picture. Also (Harrison, 2000) have referred to dimensions of physical quality, interactive quality, and organizational quality as three dimensions of service quality. Although these attempts have had a major role in division of service quality into process quality and output quality, but they lack enough details. On this basis, (Zeithaml et al., 1996) have referred to ten dimensions of service quality in their primary researches. But, in their further researches, they found a strong correlation among those dimensions. Thus, they combined these dimensions and applied the fivefold dimension of Reliability, Responsiveness, Assurance, Empathy and Tangibles as a basis for making a tool for testing the service quality. They also said that this tool is applicable in an extensive spectrum of service domains such as financial institutions, libraries, hotels, medical centers and although some of its components should be rephrased, or more components should be added to it.

Customer satisfaction is a key factor in formation of customer’s desires for future purchase (Mittal & Kamakura, 2001). Furthermore, the satisfied customers will probably talk to others about their good experiences. Although satisfaction has been defined as the difference between expectation and performance, but there are differences between quality and satisfaction. For example, (Parasuraman et al., 1991) say that satisfaction is a decision made after experience while quality is not the same. On the other hand, in satisfaction literature, expectations for goods is “would”, while in service quality literature, expectations for goods is “should”.(Cadotte &

Turgeon ,1988) have introduced another group of factors known as neutral factors. Besides, (Liljander&Strandvik, 1993) say that experience is not needed for evaluating service quality, and service can be evaluated on the basis of the knowledge about service provider, while satisfaction is an inner view, resulted from customer's own experience from the service. Finally, several researches have been done on the relation between service quality and satisfaction: findings of some of these researches show that satisfaction results in service quality (Parasuraman et al., 1988). Also, the research conducted by(Suresh chandar et al.,2002) shows that, there is a two-way relation between satisfaction and service quality.

2.6. The Satisfactory and Dimensional Nature of Service Recovery

2.6.1. The Satisfactory Nature of Service Recovery

According Qing Cong and Jianbo Fu, researches indicated that the service recovery could enhance customers' perceptive value, satisfactory feeling, loyalty and credit, and the satisfactory service recovery is favorable to reduce customers' conversion intention and fluidity (Bitner, 1990, Brown, 1996, Lewis, 2004 & Cong, 2007). McCullough's "service recovery paradox" even pointed out that Customer's satisfaction after service recovery would exceed customer's satisfaction without service failure, which more showed the importance of service recovery (Boshoff, 1999).

According to the same authors, Customer Satisfaction with service recovery is that customer's actual experience to service recovery is better than his expected psychological evaluation and perception. To confirm customer's expectation for service recovery is the premise and important base to study and establish the strategy of service recovery for enterprises.

2.6.2. The Dimensional Nature of Service Recovery

The researches about service recovery expectation in existing literatures involve three dimensional opinions, four dimensional opinions and five dimensional opinions.

- i) **Three Dimensional Factors:** Aiming at aviation service and bank service, Bosh off et al put forward the three factors including attribution, apology and empowerment of service recovery expectation by the method of experiment through the investigation to 239 informants, and emphasized that the importance of every factor to the customer is not same,

and the attribution of assuming mistake is more important than other dimensions (Boshoff, 1998).

- ii) **Four Dimensional Factors:** Through the researches about 700 key service events including Bank, catering, hotel and aviation, Bitner et al found that successful service recovery should include four key factors such as admitting failure, explanation, apology and compensation (Bitner, 1990).
- iii) **Five Dimensional Factors:** Bell et al thought that the service recovery should at least include apology, urgent repair, pure-hearted understanding, symbolic compensation and follow. Subsequently, Bell et al put forward another opinion of five factors and thought the apology, fair solution, pure-hearted treatment, compensation, promise and other service recovery modes could be used to eliminate customer's unsatisfactory emotion when they studied the service recovery of training department for enterprise (Bell, 1992).

2.7. E-Service Quality

Traditional service quality refers to the quality of all non Internet based customer interactions and experiences with companies (Parasuraman et al. 1988). Service quality is determined by the difference between expected service and perceived service from companies (Zeithaml, 1998). Parasuraman et al. conduct empirical studies in different service industries to develop and refine the service quality instrument (SERQUAL) to assess companies' service quality (Parasuraman et al. 1988, 1991, 2005). They aim at providing a generic instrument for measuring service quality across a broad range of service categories.

With the increase of E-service adoption in business field, the importance of measuring and monitoring E-service quality in the virtual world has been recognized, and E-service quality has become a hot topic in research field. Some academic researchers have already been conducted to develop E-service quality measurement. From the existing literature, it is evident that these studies have been conducted mainly in the domains of online retailing service, online shopping website quality, and E-service quality. There has been limited attention on online service sector. Much of the studies in E-service quality take a combination of traditional service quality dimensions and web interface quality dimensions as the starting point.

Dabholkar (1996) conducts a research work on the dimensions of E-service quality focusing on website design, and he argues that 7 dimensions of E-service quality can be illustrated as the basic parameters in the judgment of eservice quality, including website design, reliability, and delivery, ease of use, enjoyment and control. (Yoo and Donthu ,2001) develop a 4dimensionscale called SITEQUAL to measure online service quality of website, and the four dimensions are ease of use, aesthetic design, processing speed, and interactive responsiveness (Yoo and Donthu, 2001). Cox and Dale (2001) set up 6 dimensions of online retailing service quality with the comparison of the traditional dimensions of service quality, and the six dimensions are website appearance, communication, accessibility, credibility, understanding and availability.

2.8. Service Encounters

In an increasingly competitive market the element of social exchange may hold the key to maintaining a sustainable competitive advantage over rivals through satisfied customers and the generation of healthy profits via repeat business and referrals from positive word of mouth. The importance is such (Zeithaml and Bitner, 2003) concluded quite simply that “service equals profits”. The social exchange that takes place between the employee and customer during the service encounter is crucial to the customer satisfaction particularly for service businesses with high levels of consumer contact and person-to-person interaction (Iacobucci and Ostrom, 1993;Gronroos, 2006; Surprenant and Solomon, 1987). The financial benefits of good service encounters are well recognized within the relationship marketing (RM) literature which suggests that customer satisfaction with the service encounter leads to the possibility of a relation ship which in turn creates long-term financial benefits in repeat purchase behavior, positive word of mouth and preparedness to pay price premiums.

The importance of the service encounter in a transaction is clearly evident in the statement by Bitner, Booms and Tetreault (1990) that “the service encounter frequently is the service from the customer’s point of view” (emphasis added). The general thinking of many influential academics also supports this idea that customers strongly focus on the service encounter when evaluating a service. Furthermore, satisfaction with the service encounter flows on to have a positive and

direct impact on the profitability of a business through behavior such as repeat purchase and positive word of mouth.

2.9. Customers Response to Service Failure

Even the best service providers produce errors in service delivery. One reason for these failures is the labor intensive nature of many services, which inevitably leads to more heterogeneous outcomes compared to mechanical production processes (Berry, 1980). Service performance variability and failures also arise from the inseparability of service production and consumption, which prevents quality inspections of most services prior to delivery.

Service marketers therefore have a large stake in understanding both the consequences of failure and how to provide an effective recovery, so that they can minimize customer dissatisfaction following a failure and thus retain the customer's business. Many researchers in services marketing have suggested that the quality of a customer-organization relationship affects customers' responses to service failures. Some propose that customer relationships provide an important buffer to service firms when service failures occur, resulting in less customer dissatisfaction. For example, (Berry, 1995) suggested that customers may exhibit greater tolerance for failures when service personalization and customization lead to social relationships with the service provider (e.g., regular communications, continuity with the same employee, name recognition, and service augmentation). Similarly (Tax, Brown, and Chandrashekar, 1998) found that positive prior service experience mitigated (buffered) the negative effects of poor complaint handling on customer commitment and trust.

Customer responses to service failure also depend on their beliefs about the level of preparation that is appropriate after a service failure (Zeithaml, Berry, and Parasuraman, 1993). Because a recovery provided by an organization attempts to compensate a customer for the losses produced by the service failure (Gronroos, 1988), a consumer's expectations about appropriate levels of recovery should involve equity judgments. Equity theory proposes that partners in an exchange judge its fairness by comparing the ratio of each partner's investments (inputs) to their rewards (outcomes). A failure can upset the balance between the customer's and service provider's ratios in two ways: by diminishing the customer's outcomes and by lowering the customer's perception of the service provider's inputs. An organization's recovery efforts can compensate for the

failure by increasing the customer's perceptions of both the customer's outcomes and the service provider's inputs (Oliver and Swan, 1989).

2.10. The Service Recovery System of Ethio Telecom

Since Ethio telecom is one of the national Corporations with frequent Service Failures, the issue of Service recovery should be most relevant to this Company next to nothing. In order to have adequate view of the Service Recovery of Ethio Telecom, it is worthwhile to have a detailed look at the types of service failures and their causes, and the readiness to recover and responsiveness levels.

2.10.1 Types and Causes of Services Failures

Some of the major types of Ethio Telecom's Services failures and their causes are:

- i) **Infrastructural Disturbances:** This type of services failure when the Copper and Optical Fiber Lines are damaged particularly locally and rarely at the international gateways. For the local infrastructural damage, the main causes of the catastrophe are illegal cutting and stealing by selfish and illegal individuals; while lack of appropriate mapping of Copper and Fiber lines in a map/or master plan also cause the damage of these lines by other state owned Enterprises specially in the Urban Areas. Nature, itself, can also cause damage to the infrastructure. This service failure has a multiplier effect since without access to Broadband Z Smart Access, the sales offices stop selling services. Once this infrastructural disturbance related service failure occurs, it takes beyond expected number of days to get it fixed.
- ii) **System/Billing Related Service Failures:** Due to the wrong subscribers' Services inputs/data front office or Technical Office staffs encode in to the system and/or the miscommunication between the data encoders and the Customers thereof, the system miss-calculates the bills of the customers' Services leading to illegitimate service expiry/service by the System. The time it takes to settle the bureaucratic relationship between front line and the Technical Offices' Stakeholders of the service is at times hard to tolerate.

- iii) **Hardware/Apparatuses Related Problems:** It is rare to see and hear service failures due to the failures/incompatibility of the hardware, modems/apparatuses or other Customer.
- iv) Equipment Premises/CPE Equipments that are owned/leased by the customers. Easy types of Equipment faults are readily fixed, while there are no know specialized maintenance/repair service providers internally in the Company or externally in the Market and this leads to delay in the recovery of the associated service failures/stoppages due to the hardware faults.

2.10.2. The Readiness for and the Soundness of Service Recovery

The readiness of Ethio Telecom and the soundness of the Service Recovery it provides can be dimensionally addressed as follows:

- I) **The Readiness of Special Task Forces:** In Ethio Telecom, there is no such a capable, trained and resource endowed task forces that can effectively trace and quickly fix infrastructural damages and other huge/costly system failures. Because of lack of this readiness, it has been common to hear and see the long time it takes to trace and recover major infrastructural and/or system failures; and there is no strong task force that has coordination with external stakeholders like the police to hunt and bring in to the court those illegal people who have invisibly been destroying the infrastructural lines in the country sides. Neither is there a specialized task force that can look for and locate the area of failure of major system/ like Z Smart or recharging system/ applications and that can promptly coordinate and follows up the stake holders of the technical recovery solutions.
- II) **Customer Affairs department:** The absence of strong and semi autonomous customers affairs department means that the capability and readiness of the Company to recover failed services depends on the willingness and reluctance of the front line and technical Office stakeholders of the solutions. In such scenarios even those customers with service failures may hesitate to foreword their service failure to the same service provider at the service encounter because they know the possibility of service recovers falls under his and/or his technical stakeholders willingness to help.

III) **Hardware Maintenance Stations:** Obviously there are no as such organized ICT Equipments' Maintenance and Repair Service Providers internally in the Company or externally in the Market. This means the Service does not function until the hardware is maintained. So the Company shall organize the ICT Equipments' maintenance Department or it shall have a contractual agreement with specialized external Maintenance and Repair Providers.

2.10.3. Service Recovery Processes of Ethio Telecom

The company has developed and implemented different working processes and procedures on how to handle service failures and provide prompt solution to enterprise customers. The processes detail different service recovery mechanisms which start from receiving customers' complaint to solving the service failure. Customers can report service failure through different methods like by calling to 980 contact centers, going to point of sales or enterprise business centers or informing enterprise sales executives and other methods.

One of the major routes of reporting service failure for enterprise customers is 980 contact center services. The contact center is mainly focused on providing information to enterprise customers. Besides this task, the contact center also receives customers service failure related complaints and escalate to the concerning department for solution.

Chapter Three Data Analysis, Presentation and Interpretation

3.1 Types of Enterprise Customers and the Type of Service Failure they Encounter

Table 1 Types of Enterprise Business and Frequency of Broadband Service Failures

S/N	Item	Respondents in	%
1	In what type of enterprise is your business engagement?		
	A. Financial institution	24	7%
	B. Service enterprise	68	20%
	C Production /manufacturing	44	13%
	D.NGOS/international organizations	44	13%
	E. Government organizations	68	20%
	F.SOHO/SME	91	27%
	TOTAL	339	100%
2	How often do you encounter broadband service failure?		
	A. once	44	13%
	B. rarely	91	27%
	C. Sometimes	136	40%
	D. frequently	68	20%
	TOTAL	339	100%

Item one of table 1 depicts, the respondents were a mix of financial institutions, service enterprise, Production /manufacturing, NGOS/international organizations, Government organizations and SOHO/SME enterprise categories. 27% of the respondents were from SOHO/SME followed by Service Enterprise and Government institutions with equal share of 20%, International Organizations / embassies and production comprises 13% each and lastly 7% were from financial institution. As illustrated in Item two of table 1, 40% of the respondents have sometimes encountered a service failure, 27% of them rarely encountered a service failure, 20% of them have encountered a frequent service failure and only 13% of them have once in a year service failure.

Table 2Types of Service Failures, Informing Mechanism and Follow up

S/N	Item	Respondents in	%
1	State the types of broadband service failure you encountered?		
	A. Equipment failure	37	11%
	B. Line cut	24	7%
	C. Power interruption	50	15%
	D. Configuration problem	14	4%
	E. LAN problem	14	4%
	F. Gateway failure	200	59%
TOTAL		339	100%
2	How do you inform a service failure to Ethio telecom?		
	A. Through 980 contact center service	108	32%
	B. Through sales executive	31	9%
	C. Through point of sale	20	6%
	D. Through complaint letter	17	5%
	E. Through customer service representatives	163	48%
TOTAL		339	100%
3	How do you follow up the status of the service recovery?		
	A. Through 980 contact center service	51	15%
	B. Through sales executive	20	6%
	C. Through point of sale	17	5%
	D. Through CS representatives	34	10%
	E. Only when maintenance people call us	203	60%
	F. Through SMS	14	4%
TOTAL		339	100%

In Item one of table 2, Gateway failures, power interruption, modem failure and line cuts are the most causes of service failure. All customers, both enterprise and residential, are subjected to service failure if there is Gateway failure, except few customers who use satellite backups, the survey result also affirms this fact. Next to gateway failure (59%) the most service failure occurred is, as shown in the table above, service failure due to power interruption (15%), equipment or modem failures (11%) and line cuts (7%). Customers also faced service failure as a result of LAN (4%) and configuration problems (4%). Respondents have also stated some internal problems of their own like switch, router and server problems cause frequent broadband internet service failure.

As stated in Item two of table 2, here one customer can use different methods of reporting. As indicated above in the table 32% of the respondents have access to 980 toll free center, of the respondents 6% of them go to the nearby Ethio telecom point of sale , 9% call their sales executives, 5% of customers use complaint letter and 48% of them have dedicated customer service representative. Some of the respondents mentioned that they go top down the hierarchy of Ethio telecom to get priority. Some of the respondents also use their personal relationship with Ethio Telecom employees' to get solved their problems.

According to Item three of table 2, Customers respond to how they will follow up the status of the recovery process was surprising majority of respondent's i.e. 60% stated that they will know when maintenance people contacted them, 10% stated that they will follow the status through customer service representatives, 6% through sales executives, 5% through point of sale and finally the remaining 4% follow service recovery through SMS.

From the analysis made on Tables 1 and 2, all of the respondents have experienced at least a onetime service failure. Even though trouble ticket number is provided to customers when reporting a case majority of the respondents do not use the provided number and call contact center to check the status. This will be related with the past experience that in most cases contact center advisors will not have the updated information provided by the back office team related with the status of the recovery process.

I. Enterprise Customers Attitude towards Ethio telecom's Service Recovery Process

The below question set consisted of fifteen statements which respondents had to rank by indicating their choice on like rescale. Respondents had to indicate whether they strongly agree, agree, neutral, disagree, and strongly disagreed regarding each statement. This liker scale method therefore assessed the degree to which respondents agree or disagree with each statement. These questions aimed at determining the enterprise customers' perception towards the service recovery system of Ethio telecom.

Table 3 Enterprise Customer's Response towards Ethio telecoms Employees

S/N	Item	Respondents	%
1	When customers have a problem, Ethio Telecom employees shows a sincere interest in solving it		
	Strongly agree	24	7%
	Agree	44	13%
	Neutral	112	33%
	Disagree	112	33%
	Strongly disagree	47	14%
	TOTAL	339	100%
2	Ethio telecom employees gives individualized attention to customers who encountered service failure		
	Strongly agree	24	7%
	Agree	20	6%
	Neutral	203	60%
	Disagree	92	27%
	Strongly disagree	-	-
	TOTAL	339	100%

Item one (Table 3) , states “ When customers have a problem, Ethio telecom employees Show sincere interest in receiving complaints related with service failure”,7% of respondents strongly agree, 13% agree on the statement, while 33% and 14% of respondents disagree and strongly disagree respectively with the above statement,33% of respondents are neutral on the statement. This shows that most of enterprise customers are not happy with the complaint handling of employees.

Item two (Table 3), states “Ethio telecom employees give individualized attention for customer, when they complain about service failure”. Individualized attention means that the employee, who is assigned to receive service failure complaints from enterprise customers, gives adequate amount time to each customer to explain his/her case and provides appropriate help in making the reporting procedure clear and helpful. 7% and 27% of respondents strongly agree and disagree with the question respectively, while 6% of them agree. Majority of the respondents, 60%, are neutral on the statement. Here also a considerable amount of respondents believed that enough attention is not given by employees in order to receive service failure complaints.

Table 4. Enterprise Customer's Response towards Ethio telecoms Employees

S/N	Tem	Respondents	%
1	Ethio telecom employees provide the contact person/section responsible to solve the service problem to the customer for follow up		
	Strongly agree	24	7%
	Agree	91	27%
	Neutral	136	40%
	Disagree	68	20%
	Strongly disagree	20	6%
	TOTAL	339	100%
2	Ethio telecom employees properly explain the cause for service failure to the customer when asked		
	Strongly agree		-
	Agree	112	33%
	Neutral	91	27%
	Disagree	112	33%
	Strongly disagree	24	7%
	TOTAL	339	100%
3	The employees are well equipped and have knowledge to recover a service failure		
	Strongly agree	68	20%
	Agree	44	13%
	Neutral	136	40%
	Disagree	44	13%
	Strongly disagree	47	14%
	TOTAL	339	100%

Table 3&4, main objective were at identifying the employees' willingness in accepting customers' complaints related with the broad band service along with identifying Ethio telecoms customers trust towards Ethio telecom employees, the employees' willingness to explain the cause of the problem and their feeling towards employees in the service recovery process. As stated above Ethio telecom receives enterprise customers service failure related complaints through 980 contact center, business center, sales executives and other methods.

After reporting a service failure customers want to have the contact person to communicate in order to follow the status of the recovery process. Item 1 (Table 4) indicates "Ethio telecom employees provide the contact person/section responsible to solve the service problem to the customer for follow up". 7% and 27% of respondents respectively strongly agree and agree on the above statement while 40% of them are neutral. The remaining 20% and 6% of respondents disagree and strongly disagree on the statement respectively.

Item 2 (Table 4),indicates "Ethio telecom employees properly explain the cause for service failure to the customer when asked" 33% of the respondents agreed and again 33% disagreed, 27% of them were neutral and only 7% strongly disagreed. This shows that most of the respondents believe that Ethio telecom employees don't properly explain the root cause of the service failure to the customers when asked.

According to Item 3 (Table 4),"The employees are well equipped and have knowledge to recover a service failure" out of the total respondents 40% of them were neutral, 20% strongly agreed, 14% strongly disagreed and 13% each for agree and disagree were recorded. This shows that majority of respondents perceived that Ethio Telecom employees are not well equipped and don't have knowledge to recover a service failure.

Employee behavior that causes disconfirmed expectations (as opposed to problems caused by faulty systems or policies) is one of the most difficult types of failure from which to recover (Hoffman et al., 1995). Often customers switch to an alternative service provider, not because of core service failure, but because of the unacceptable response of employees to customer attempts to redress failure (Keaveney, 1995). The assessment of how successful a service recovery was must thus focus on the response of service firm employees.

From the analysis of table 3&4, it is obvious that enterprise customers are not satisfied with first level employees, who are assigned to receive customers' complaints about service failure and related issues. This is due to the fact that as an enterprise customer, they will expect a more one to one interaction with the employee in order to explain their case and get quick response. Generally there is a negative view towards employees of the company engaged in service recovering process.

Table 5, is aimed at identifying the Ethio telecoms service recovery performance in relation to responding to enterprise customers on timely manner and its follow up mechanism after service recovery.

Table 5Ethio telecoms Timely Service Recovery Performance and Follow up

S/N	Item	Respondents	%
1	Ethio telecom informs customers the exact time needed to solve a specific Service failure		
	Strongly agree	-	-
	Agree	92	27%
	Neutral	112	33%
	Disagree	91	27%
	Strongly disagree	44	13%
	TOTAL	339	100%
2	Ethio telecom solves problems at the time it promises to do so		
	Strongly agree	24	7%
	Agree	24	7%
	Neutral	91	27%
	Disagree	159	47%
	Strongly disagree	41	12%
	TOTAL	339	100
3	Ethio telecom takes reasonable time to solve service related problems		
	Strongly agree	44	13%
	Agree	91	27%
	Neutral	68	20%
	Disagree	136	40%
	Strongly disagree	-	-
	TOTAL	339	100%

Table 6 Ethio telecoms Timely Service Recovery Performance and Follow up

S/N	Item	Respondents	%
1	Ethio Telecom always recovers service failure right the first time		
	Strongly agree	44	13%
	Agree	44	13%
	Neutral	92	27%
	Disagree	159	47%
	Strongly disagree	-	-
	TOTAL	339	100%
2	Ethio telecom contacts the customer to check the status of the service after the service recovery process is closed		
	Strongly agree	44	13%
	Agree	91	27%
	Neutral	68	20%
	Disagree	136	40%
	Strongly disagree	-	-
	TOTAL	339	100%

Item 1(Table 5), says “Ethio telecom Informs customers the exact time of service recovery”. Respondent’s response towards this statement was that 27% of respondents disagree and agree, 13% of respondents strongly disagree with the stamen, No respondent strongly agree with the statement while 33% of respondents are neutral with the statement.

Item 2,3 (Table 5)&Item 1 (Table 6) ,were intended to elicit whether Ethio telecom timely recovers broadband internet service failure or not; whereas Statement number Item 2 (Table 6) is intended to make sure that if Ethio Telecom follows up the service recovery status and updates the status to the respective customer.

Item 2 (Table 5), States “Ethio Telecom solve problems at the times it promises to do so”. Out of the total 47% of the respondents disagree, 12% strongly disagree, 27% were neutral while only 7% strongly agree and 7% agree. This shows that more than 80% of the respondents perceive that Ethio Telecom do not keep service recovery promises.

Item 3 (Table 5), States that “Ethio telecom takes reasonable time to solve service related problems”. With regard to this statement 40% of the respondents disagree, 13% strongly agree, 20% were neutral while only 27% agree and none of them strongly disagree. This shows that more than 53% of the respondents believe that Ethio Telecom takes extended time to resolve broad band service failure.

Item 1 (Table 6), says “Ethio Telecom always recovers service failure right the first time”. 47% of the respondents disagree and 13% strongly agree with this statement, 27% of them were neutral while 13% agree and none of them strongly disagree .This could deteriorate the degree of confidence of customers on Ethio telecom’s service recovery process.

Item 2 (Table 6),says “Ethio telecom contacts the customer to check the status of the service after the service recovery process is closed”. 27% of the respondents disagree, 13% strongly agree, and 20% were neutral while only 40% of the respondents agree with the statement andn one of them strongly disagree.

From the analysis of table 5&6, the expected time of service failure resolution is not properly communicated to customers although the working processes indicated that expected time of trouble ticket resolution will be informed to customers. Taking corrective actions in a timely manner and ensuring appropriate follow-up and feedback to the veteran are also elements of the principles of service recovery. It also indicates that Ethio telecom is not gaining the required level of feedback from customers about the recovery process which could be of higher input for further improvement and understanding how it is perceived by the customers. It also highly

contradicts with the working processes that states customers should be contacted at the end of each service recovery process in order to identify whether the service is restored to its previous status or not.

Table 7, were intended to identify whether Ethio telecom has modern technology/equipment which helps to easily identify the root causes of problems and solve the problems accordingly.

Table 7. Ethio telecoms Technology/Equipment

S/N	Item	Respondents	%
1	Ethio telecom has modern technology /equipments that helps to easily identify the root cause of service failure		
	Strongly agree	14	4%
	Agree	81	24%
	Neutral	122	36%
	Disagree	68	20%
	Strongly disagree	54	16%
	TOTAL	339	100%
2	Ethio telecom uses modern equipments in its service recovery process		
	Strongly agree	10	3%
	Agree	24	7%
	Neutral	122	36%
	Disagree	129	38%
	Strongly disagree	54	16%
	TOTAL	339	100%
3	Customers can trust the capacity of this Company employees' ability to recover failed services		
	Strongly agree	24	7%
	Agree	92	27%
	Neutral	112	33%
	Disagree	98	29%
	Strongly disagree	13	4%
	TOTAL	339	100%

Table 8. Ethio telecoms Technology/Equipment

S/N	Item	Respondents	%
1	Ethio telecom’s customers can feel safe/assured with the Company’s employees’ position to satisfactorily handle your service failure issues		
	Strongly agree	-	-
	Agree	91	27%
	Neutral	136	40%
	Disagree	112	33%
	Strongly disagree	-	-
	TOTAL	339	100%
2	The service recovery is dependable		
	Strongly agree	31	9%
	Agree	142	42%
	Neutral	68	20%
	Disagree	98	29%
	Strongly disagree	-	-
	TOTAL	339	100%

Item 1 (Table 7), says “Ethio telecom has modern technology/equipment that helps to easily identify the root cause of the service failure” Out of the total respondents 36% of them were neutral, 24% agree, 20% disagreed while only 16% and 4% strongly disagreed and strongly agree respectively. This shows that more than 64% of the respondents perceive that ethio telecom do not keep use modern technology to easily identify the root cause of the service failure.

Item 2 (Table 7), States “Ethio telecom uses modern equipments in its service recovery process” 38% of the respondents disagreed, and 16% strongly disagreed while 36% were neutral, 7% & 3% agreed and strongly agreed respectively. This shows that 53% of the respondents believed that Ethio telecom don't use modern equipments in its service recovery process.

Item 3 (Table 7), depicts “Customers trust the capacity of Ethio Telecom employees ability to recover failed services” out of the total respondents 33% of them were neutral, 29% disagreed, 27% agreed, 7% & 4% strongly agreed and strongly disagreed respectively. This shows that 67% of the respondents don't trust the employees' ability to recover service failure.

Item 1 (Table 8), illustrates “Ethio telecom customers can feel safe/assured with the Company's employees' position to satisfactorily handle your service failure issues” out of the total respondents 40% of them were neutral, 33% disagreed and 27% agreed and none of them to strongly disagree and agree. This shows that 67% of the respondents don't feel safe/assured by the employees' ability to handle recover service failure.

Item 2 (Table 8), was intended to uncover that whether overall service recovery system of Ethio Telecom is dependable or not; the statement says “The service recovery is dependable”. This time 42% of the respondents agree with the statement, 9% strongly agree, and 29% disagree, while 20% of them remain neutral and none of them to strongly disagree.

From the analysis of table 7&8, the equipments used by Ethio telecom for recovering the service failures of enterprise customers are not modern. This shows that the service recovery process of Ethio telecom is not dependable there is a room for radical improvements since more than half of the customers are not satisfied with the process and equipments.

3.2 Analysis from the Interview

In order to assess the service recovery practice of Ethio telecom enterprise broad band customers along with questionnaires the student researcher also conducted interview with the customer relation manager of Ethio telecom (enterprise division) responsible for the enterprise customers. The first question asked to the interviewee was about the type of service failure they encounter most of the time and how often. According to his response they encounter service failures very often from which happened because of optical fiber and line cuts.

The student researcher also asked questions about the Ethio telecom staffs interest, readiness, technical knowhow and how often they are given trainings to update them with new technologies. The interviewee replied that the employees have readiness to help customers on recovering the problems that they encounter but they lack technical knowhow on the major problems and technicalities .According to the manger they are giving constant trainings to the staffs about equipments used and customer handling.

The next question raised to the enterprise division manger was about the technology /equipment used by Ethio telecom to give broadband service as well as helps to easily identify the cause of the service failure and escalate the service recovery process. According to his response the technology used by the enterprise is outdated and the equipments are not modern which also makes service recovery process difficult time taking.

Another question was about how Ethio telecom handles service failures in a timely manner, its follow up mechanism and how it works to recover the failure. Accordingly the interviewee replied that it has no specific individualized personnel to handle service failure and give prompt reply to recover it. In addition there is no follow up mechanism after the service recovery.

Generally from the interview Ethio Telecom affirm its customers that broadband service problems, if once informed and not solved within 48 hours, at least their root causes should be identified. Service outages /failures could be due to three primary categories of causes:

1. Physical destruction of network components
2. Disruption in supporting network infrastructure
3. Network congestion

If the outage is due to physical destruction of network elements, it could take Ethio Telecom more than 48 hours to resolve/recover the service. Ethio Telecom service recovery promises to customers should be in consideration of the nature of the cause of the problem.

Chapter Four

Summary, Conclusion and Recommendations

4.1. Summary

The customer is king” is a saying often heard in the service industry. This is why many companies are service oriented. But even when focusing on the customer’s needs, different problems might always occur that affect the customer’s satisfaction (Robbins and Miller, 2004). In this case, an effective service recovery strategy is needed. Some researchers suggest that a firm’s recovery effort can either reinforce customer relationships or compound the failure. Others suggest that over one-half of service recovery efforts actually compound the problem. As such, it seems conceivable that poor service recoveries can cause consumers to rate failing firms lower after their recovery efforts than they rated the firms immediately following the failures. In contrast to a poor recovery, many suggest that a proper recovery can restore levels of satisfaction and promote referrals for future purchases (Goodwin and Ross, 1992).

This study tried to assess the services recovery practice of Ethio telecom in the case of enterprise broadband customers .The study attempted to address the major research questions posed in the first chapter. As a result the major findings of the study are summarized as follows:.

Enterprise customers are not satisfied with the employees of Ethio telecom that are engaged in service recovering process and on the employees readiness to help customers on recovering the problems they encounter as well as the employees lack of technical knowhow on how to recover service failures, majority of the respondents (60%) and (40%) are neutral respectively with the employees ability.

The equipments and technologies used by Ethio telecom are not modern which makes service recovery process difficult as well as time taking, majority of the respondents (38%) are disagree and (36%) are neutral with the equipments of the company.

The expected time of service failure resolution is not properly communicated to customers although the working processes indicated that expected time of trouble ticket resolution will be informed to customers most of the costumers (40%) and (27%) are agree and disagree with the issue.

From the responses majority of the customers are from SOHO/SME (27%) and service enterprise (20%), government organizations (20%) respectively in their type .

With regard to the company timely service recovery performance and follow up (47%) of the respondents are disagree with the time to recovery the service failure at it promises and (40%) of the respondents are also disagree with the time and follow up of service recovery.

When we come to the type of service failure majority of the respondents (58%) face gateway failure, and (15%) are face power interruption respectively.

A large amount of responses (60%) indicate that customers follow up the statues of service recovery through when maintenance people call and (15%) of the respondents check the status through 980 contact center service respectively.

Most of customers (48%) inform the service failure through customer service representatives and (32%) are through 980 contact center service respectively.

4.2 Conclusion

Service failure is an unavoidable phenomenon; what matters is how service providers recover from failure. An effective service recovery can increase customer satisfaction, loyalty, and generate positive word of mouth. A well designed and well documented service recovery strategy also provides information that can be used to improve service as part of a continuous improvement effort. On the other hand failure to recover service to its original state leads to the opposite.

Depending on the findings discussed above the following conclusion are drawn.

- ❖ The network coverage and performance of Ethio telecom is not as such secured; the broadband service encounters failure due to international Gateway failures, power interruptions, modem failure, line cuts and configuration problems. The severity of the problem could range from high to low depending on the nature of the root cause.
- ❖ Ethio Telecom has designed broadband service recovery procedures which give priority to enterprise customers. Ethio telecom has assigned “980” toll free contact center to enterprise customers. Though not accessible to all enterprise customers.

- ❖ The working processes assume that a trouble ticket once created will not go smoothly till the ultimate customer gets solution. However the application is much more difficult and a lengthy process, the system demands coordination of different network department. Communication inefficiencies are inevitable which further intensifies customer frustration.
- ❖ As per the research findings, there is no clear procedure on how customers can follow up the status of the service recovery and even there is no mechanism in which customers can present their feedback about the recovery process which is higher importance for further improvement.
- ❖ From the research findings by the company's standard working processes, customers believe that their complaints are not getting enough attention by employees, the recovery processes are time taking, even the company do not explain the root cause of the failure and how long will it take to recover.

4.3. Recommendations

Service recovery is likely to work after a single service failure but not after the company has failed the same customer twice (Maxham&Netemeyer, 2002). In addition, customers' "zone of tolerance," or how much variance they will accept between what they expect to receive and what they perceive they actually receive, is wider when they assess the firm's service delivery but narrows when they evaluate its attempt at service recovery (Parasuraman, Berry, &Zeithaml, 1991).The researcher therefore, based on the major findings of the study, forwards the following recommendation as key points for the improvement of service recovery of broadband for enterprise customers of Ethio telecom :

- The company should monitor the application of working processes in order to achieve full implementation. Each step set in the recovery processes should be monitored regularly and corrective action should be made to avoid tasks done without fulfilling the required steps. Continues monitoring should also focus on updating working processes based on the current resources and capabilities of employees.
- The ability of contact center advisors is limited to providing information and creating and sending trouble ticket for the raised complaint to appropriate department responsible to solve the problem. So developing culture of transparency and empowering 980 contact center

employees to track each and every step of the recovery process will close the communication gap among departments and customers, which in turn improves the speed of the recovery process and bring about customer satisfaction.

- Documenting and sharing the history of frequently reported service failures and the recovery steps done among employees can help Ethio telecom to make speedily root cause analysis and solve problems of similar type in a quick manner. Furthermore, it facilitates the knowledge transfer among employees.
- The company should prepare scheduled meeting with enterprise customers to discuss on its offers and collect their feedback on the current service recovery system.
- To minimize service failures the key solution for the company would be increasing the quality of its services and network capacity. Continues programs focused on increasing the service quality of broadband service and its network coverage should be implemented.

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Appendix A

St. Mary's university college

Faculty of business

Department of marketing management

Questionnaires to be filled by Ethio Telecom broad band enterprise customers

This Questionnaire is prepared with the intentions of making an assessment of service recovery practice: in the case of Etiho telecom enterprise broad band customers. You, the esteemed enterprise customer respondents are warmly requested to give the student researcher your genuine and unreserved reactions since the outcomes of your responses are to be used only for academic purpose and their confidentiality are to be legitimately handled.

Part I. General Questions

1. In what type of enterprise is your business engagement?
 - Financial Institutions
 - Service Enterprise
 - Production/Manufacturing
 - NGOs/International Organizations
 - Governmental Organization
 - SOHO/SME

2. How often do you encounter broadband service failure?
 - Once
 - Rarely
 - Sometimes
 - Frequently

3. State the types of broadband service failure you encountered.
 - Equipment failure
 - Line cut
 - Power interruption

- Configuration problem
- LAN problem
- Gateway failure
- Other please specify -----

4. How do you inform a service failure to Ethio telecom?

- Through 980 contact center service
- Through sales executives
- Through Point of sales
- Through complaint letter
- Through CS Representatives
- Other please specify-----

5. How do you follow up the status of the service recovery?

- Through 980 contact center service
- Through sales executives
- Through Point of sales
- Through CS Representatives
- Only when maintenance people call us
- Through SMS
- Other

Part II. Enterprise Customers attitude towards Ethio telecom’s service recovery process

To what extent do you agree with each of the following statements?

S/N	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	When customers have a problem, Ethio Telecom Employees shows a sincere interest in solving it					
2.	Ethio telecom Employees gives individualized attention to customers who encountered service failure					

3.	Ethio telecom employees provide the contact person/section responsible to solve the service problem to the customer for follow up					
4.	Ethio telecom informs customers the exact time needed to solve a specific Service failure					
5.	Ethio telecom has modern technology/equipment that helps to easily identify the root cause of the service failure					
6.	Ethio telecom uses modern equipments in its service recovery process					
7.	Ethio telecom employees properly explain the cause for service failure to the customer when asked					
8.	The employees are well equipped and have knowledge to recover a service failure					
9.	Customers can trust the capacity of this Company employees' ability to recover failed services					
10.	Ethio telecom's customers can feel safe/assured with the Company's employees' position to satisfactorily handle your service failure issues					
11.	Ethio Telecom solve problems at the times it promises to do so					
12.	Ethio telecom takes reasonable time to solve service related problems					
13.	Ethio Telecom always recovers service failure right the first time					
14.	Ethio telecom contacts the customer to check the status of the service after the service recovery process is closed					
15.	The service recovery is dependable					

Appendix B INTERVIEW

In order to assess the service recovery practice of Ethio telecom enterprise broad band customers along with questionnaires the student researcher also conducted interview with the customer relation manager of Ethio telecom (enterprise division) responsible for the enterprise customers. The first question asked to the interviewee was about the type of service failure they encounter most of the time and how often. According to his response they encounter service failures very often from which happened because of optical fiber and line cuts.

The student researcher also asked questions about the Ethio telecom staffs interest, readiness, technical knowhow and how often they are given trainings to update them with new technologies. The interviewee replied that the employees have readiness to help customers on recovering the problems that they encounter but they lack technical knowhow on the major problems and technicalities .According to the manger they are giving constant trainings to the staffs about equipments used and customer handling.

The next question raised to the enterprise division manger was about the technology /equipment used by Ethio telecom to give broadband service as well as helps to easily identify the cause of the service failure and escalate the service recovery process. According to his response the technology used by the enterprise is outdated and the equipments are not modern which also makes service recovery process difficult time taking.

Another question was about how Ethio telecom handles service failures in a timely manner, its follow up mechanism and how it works to recover the failure. Accordingly the interviewee replied that it has no specific individualized personnel to handle service failure and give prompt reply to recover it. In addition there is no follow up mechanism after the service recovery.

Generally from the interview Ethio Telecom affirm its customers that broadband service problems, if once informed and not solved within 48 hours, at least their root causes should be identified. Service outages /failures could be due to three primary categories of causes:

1. Physical destruction of network components
2. Disruption in supporting network infrastructure

3. Network congestion

If the outage is due to physical destruction of network elements, it could take Ethio Telecom more than 48 hours to resolve/recover the service. Ethio Telecom service recovery promises to customers should be in consideration of the nature of the cause of the problem.

CERTIFICATE

This is to certify that Member Cherinet has carried out her research work on topic entitled Assessment of service recovery practice: in the case of Etiho telecom enterprise broad band customers under my supervision. This paper has been submitted for examination with my approval as the university college advisor.

Meaza G/Medhin

(Research Advisor)

LETTER OF DECLARATION

I declare that this research paper on the topic Assessment of service recovery practice: in the case of Etiho telecom enterprise broad band customers, is completely a result of my work. I have carried out the paper independently with the support and guidance of the research advisor instructor Meaza G/Medhin.

MENBRE CHERINET

MAY, 2013

St Mary University College