



INDIRA GANDHI NATIONAL OPEN UNIVERSITY
GRADUATE SCHOOL OF MANAGEMENT STUDIES

Title: Measuring Service Marketing Performance in
Ethio telecom: A case study

By

Tessema Gadissa Oli (Enrollment No. 099114228, email: tesgad @ yahoo.com)

A Thesis submitted to Indira Gandhi National Open University via St. Mary University College For the partial Fulfillment of the Degree of Master of Business Administration (MBA)

Advisor: Matiws Ensermu (PhD) with the Rank of Assistant professor at Addis Ababa University

May, 2012

Addis Ababa

Ethiopia

Acknowledgment

I would like to express my gratitude to all those who gave me the possibility to complete this thesis. Firstly, I am deeply indebted, my supervisor Dr. Mathios Ensermu, for his patience, motivation and guidance throughout all stages of my research.

I am heartily thankful to my supervisor, Jane Morrison, whose encouragement, guidance and support from the initial to the final level enabled me to develop an understanding of the subject.

Specially, I would like to give my special thanks to my wife Senait Gadissa whose patient love enabled me to complete this work. I would like also to thank all my colleagues for all their help, support, interest and valuable hints.

Table of Contents

	<u>Pages</u>
Acknowledgment.....	i
Certificate of Originality	v
Acronyms	vi
List of Tables.....	vii
Abstract.....	viii
Chapter One: Introduction.....	1
1.1 Background of the study.....	1
1.2 Significance of the Study.....	3
1.3 Statement of the Problem and Research Questions.....	3
1.4 Research Questions.....	5
1.5 Objectives of the Study	6
1.5.1 General Objectives.....	6
1.5.2 The specific Objectives.....	6
Chapter Two: Literature Review.....	8
2.1 Marketing Performance Measurement.....	8
2.2 The Measurement of Managed Organization	10
2.3 Marketing and Cash Flows.....	10
2.4 Measurement Metrics.....	10
2.5 Assessment Criteria.....	11
2.6 Service Marketing Performance Measurement: An overview.....	11
i. Control Theory.....	12
ii. Agency Theory.....	12
iii. Market Orientation	13
iv. Institutional Theory.....	13
v. Brand Equity as an intangible Marketing Asset and Driver of Measurement.....	13

2.7 Stages of service Marketing Performance Assessment.....	14
2.8 Marketing Productivity Measurement.....	16
2.9 Appropriate metrics to Measure.....	16
2.9.1 General Approach.....	16
2.9.2 Tailored Approach.....	18
Chapter Three: Research Design and Methodology.....	19
3.1 Research Methods and Procedures.....	19
3.2 Study area.....	19
3.3 Research Design.....	19
3.4 Unit of Analysis and participants of the study.....	20
3.5 Ethical Clearance.....	20
i. Methods of Data Collection, Source, Research Instrument and Discussion Guide.....	20
ii. Samples and Sample Design.....	22
iii. Validity /Data Quality Assurance.....	22
iv. Reliability.....	23
3.6 Scope and Delimitations of the Study.....	23
3.6.1 Scope of the Study.....	23
3.6.2 Limitations of the study.....	23
3.7 Expected Contributions from the Study.....	24
3.8 Organizations of the Study.....	24
Chapter Four Data: Collection and outcomes.....	25
4.1 Outcomes.....	25
4.1.1 Introduction.....	25
4.2 Respondents Views.....	25
4.2.1 Chairman of the Board of Directors of Ethio-telecom of Ethio-Telecom.....	25
4.2.2 Chief Executive Officer of Ethio-telecom.....	28
4.2.3 Chief operating Officer (COO) of Ethio-Telecom.....	30
4.2.4 Chief Technical Officer (CTO) of Ethio-Telecom.....	32

4.2.5 Residential Marketing department Officer of Ethio Telecom.....	34
4.2.6 Enterprise Sales Support Manager/Acting Officer.....	36
4.2.7 Indirect Channel Manager of SAAZ.....	38
4.2.8 Indirect Channel manager of EAAZ.....	40
4.2.9 Indirect Channel Manager of North Addis Ababa.....	42
4.2.10 Marketing Research & Intelligence Supervisor of Residential Marketing & Sales Division.....	44
Chapter Five: Discussion- Data Presentation, Analysis and Interpretation	60
5.1. The growth in importance and awareness of Service marketing performance measurement ET Managers	60
5.2. Measurement Systems, Tools, Processes, Methods or Techniques Applicable In ET.....	61
5.3. Advancement of Service Marketing Performance Measurement of ET.....	61
5.4. Service Marketing Performance Measurement Challenges in ET.....	62
5.5. Customers' Value Creation in ET Service delivery While Maximizing Profit.....	62
5.6. Evaluation of Service Quality Provisions of ET from Customers' Point Of View.....	63
Chapter Six: Summary Findings, Conclusion and Recommendations	64
6.1. Major Summary Findings.....	64
6.2. Conclusion.....	66
6.3. Recommendations.....	67

Bibliography:

Appendices:

CERTIFICATE OF ORIGINALITY

This is to certify that the project titled "Measuring Service Marketing Performance in Ethio telecom: A Case Study" is an original work of the Student and is being submitted in partial fulfillment for the award of the Master's Degree in Business Administration of Indira Gandhi National Open University. This report has not been submitted earlier either to this University or to any other University /Institution for the fulfillment of the requirement of a course of study.

SIGNATURE OF SUPERVISOR

Place: -----

Date: -----

SIGNATURE OF STUDENT

Place: -----

Date: -----

Acronyms

- GSM = Global System for Mobile communication
- CDMA = Code Division Multiple Access
- EAAZ = East Addis Ababa Zone
- ET = Ethio telecom
- IP NGN = Internet Protocol Next generation Network
- PC = Personal Computer
- NAAZ = North Addis Ababa Zone
- SAAZ = South Addis Ababa Zone
- WCDMA = Wideband Code Division Multiple Access
- FL = Fixed Line
- KPIs = Key performance Indicators
- CEO = Chief executive Officer
- COO = Chief Operating Officer
- CTO = Chief Technical Officer
- SERVQUAL = Service Quality

<u>List of Table</u>	<u>Page</u>
Table 1 - Standard profit and loss account metrics	16
Table 2 - General brand equity metrics	17
Table3 - Descriptive Statistics.....	47
Table 4 - Descriptive Statistics.....	53
Table 5 - Correlation.....	55
Table6 -Model Summary.....	57
Table7 - ANOVA b.....	58
Table8 - Regression Coefficients (a).....	59

ABSTRACT

Marketing is an evolving and dynamic discipline that cuts across every spectrum of life. Nowadays, measuring service marketing performance has been a central issue in marketing and remains a vital concern for a large majority of organizations.

Telecommunications as the world's biggest machine Strung together by complex networks, telephones, mobile phones and internet-linked PCs, the global system touches nearly all of us allowing us to speak, share thoughts and do business with nearly anyone, regardless of where in the world they might be and hence, telecom operating companies make all this happen.

ET provides national and international telecommunications services, using communication media of satellite, optical fiber, microwave, multiple access radius, very small aperture, ultra high frequency and very high frequency. In ET, therefore, the measurement of marketing performance is believed to make a fundamental contribution to long-term organizational success.

ET management is poorly aware or insufficiently familiar with measuring marketing performance and hence can be safely said that *today* service marketing performance measurement *is the primary weakest areas of* ET management. Of course, measuring marketing performance is a difficult and time consuming activity, but to succeed at any rate, requires top executive management support, appreciation and deep understanding.

Service Marketing performance Measurement metrics enable service providers to justify budgets based on returns and to drive their organizational growth and innovation. As a result, ET as a service provider is expected to use these metrics to measure its marketing performance in the way to prove value and demonstrate its contribution to organization. ET should have establish a systems metrics, tools, process and techniques for measurement of service marketing performance in its strategic plan and should ensure the provision of quality of service in all areas of quality dimensions with special reference to satisfaction, reliability of Telecom product/service, Tangibles (Physical appearance and Design) and Empathy dimensions where the result of the research shows a record of below customer's expectation.

Measuring Service Marketing Performance in Ethio Telecom:

A Case Study

CHAPTER ONE: INTRODUCTION

1.1. Background of the study:

It is quite clear, according to O. E. Ewah & Alex B. Ekeng (2009.P,9) that ,marketing is an evolving and dynamic discipline that cuts across every spectrum of life .It is a very important aspect in business and hence contributes greatly to the success of an organization. Marketing is about a product or a service or both. According to Mangnale V. S,(2010, p.275) a service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything.

On a general perspective, Kotler and Armstrong (2001) described marketing as a social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others.

It is interesting to note that telecommunications as the world's biggest machine Strung together by complex networks, telephones, mobile phones and internet-linked PCs, the global system touches nearly all of us allowing us to speak, share thoughts and do business with nearly anyone, regardless of where in the world they might be and hence, telecom operating companies make all this happen.

Ethio telecom (ET) provides national and international telecommunications services, using communication media of satellite, optical fiber, microwave, multiple access radius, very small aperture, ultra high frequency and very high frequency. Currently, it provides the following major types of service packages such as landline and wireless (GSM, CDMA, WCDMA, Fixed Network, and mobile, IP NGN (internet and Data) services to government, non-government

organizations, all enterprise and residential customers. The researcher will consider different levels of managers and all categories of subscribers/customers in order to get information regarding their evaluation of Ethio-Telecom service marketing performance measurement and Customer satisfaction level on the marketing performances of the company's service provision.

Measuring marketing performance has been an important and a central concern in marketing for decades (Clark 1999, p.32; Morgan et al. 2002, p.112). In the telecom sector, therefore, the measurement of marketing performance has the capacity to make a fundamental contribution to long-term organizational success.

In service marketing, Customer satisfaction is mandatory to achieve success and enterprises are expected to provide a rich array of promotional programs, marketing campaigns and community outreach programs. Apart from Customer Satisfaction, the best practice, key indicator of service marketing performance is widely claimed to be Return on Investment (ROI). The objective of marketing is the sourcing and harvesting of cash flow, the cash flow which is the lifeblood of the business. Though Marketing covers advertising, promotions, public relations, and sales, it is all about cash: either locating it and trying to get a bigger share of it, or spending it to generate more of it both fairly hard, measurable, results-driven activities. Yet historically, while other departments have been subject to intense scrutiny and assessment on their contribution to shareholder value, marketing has been able to elude the upper echelons and hardly bear accountability for performance. Although marketing deserves no special treatment, since it is not different, and as such, it is possible to measure. According to Ambler (2003, p.275), marketing is an investment, and unless its impact can be measured, the investment is a waste of money.

Subject matters investigated in this study include the extent and level of service marketing performance measurement , awareness of managers of ET in marketing performance measurement, processes, tools and techniques of service marketing performance Measurements, Metrics and challenges in marketing performance measurement and the real problems of Quality of service provision from customers point of view etc.

1.2. Significance of the Study:

In the words of Ambler & Wang (2002), assessing business performance has quite a valuable importance; and though this importance is undeniable fact, there is little research on the measures used to evaluate marketing effectiveness. It is quite interesting to note that in the management of global firms, marketing performance measurement is a growing concern of executives. Porter (1985) stated that a firm's survival depends on its ability to create value, and since value is defined by customers marketing makes a significant and fundamental contribution to long term business success. According to Ambler & Wang(2002,pp267-281) , therefore, It is in the interests of marketers and the credibility of the discipline as a whole for marketing performance measurement to be understood and adopted at all levels of business and across all sectors

Since no research has been revealed in Ethio telecom which explores managers perceptions, this research will possibly makes the first step in understanding service marketing measurement in Ethio Telecom, arousing interest and inspiring deeper and broader research on this field, which may ultimately enable other organizations to spend marketing funds more efficiently and effectively. In the words of Clark & Ambler (2001, pp.231-244) the identification to be made overtime of the impact of performance measurement systems in firms is a critical issue for both research and improved practice.

It is quite imperative to note that this study is hoped, that it will add to what is already know about marketing performance measurement, and inspire a change in how we study and practice marketing performance measurement particularly in ET.

1.3. Statement of the Problem and Research Questions:

It is important to note that the statement of the problem is the foundation to and the rationale for the significance of the study and according to Cooper and Schindler (2002, p.101), a problem statement includes four fundamental components: a management dilemma, *the background*, *consequences*, and *the management questions* .As ideally proposed by Cooper and Schindler (2003, p.101) and that in this chapter, the management dilemma, background and

consequences are to be discussed under six respective research problems which will be empirically addressed in this study. It should also be noted that the management dilemma and the management question are the first two levels of the management-research question hierarchy and should be outlined in the problem statement. Attempt will be made in this study to find answers for the key questions raised in this research.

Barwise & Farley (2004, p.257) stated that there is increasing pressure on senior marketing managers to deal directly with the overdue issue of measuring the impact and value of marketing. Marketers want to know the actual return on investment of each dollar. They want to know it often, not just annually. And increasingly they want a view of likely returns on future campaigns .

Falkow (2004:p.10) quotes Nelson of the Chief Marketing Officer Council, who suggests that the interest in measuring marketing performance is driven by the growing executive demand for accountability and justification of marketing budgets, programs, and value ,and hence critical and demanding corporate performance environments heighten this priority.

There was no research to suggest how advanced the concept measuring marketing performance is in Ethio telecom sector, and of its development.

It should be noted that for measuring marketing performance, a wide range of tools and techniques are used by different organizations. The literature identified and explored the metrics used by companies in countries such as USA, UK, Japan, China, France, Germany, Spain, but to date, no peer reviewed literature has been discovered which explores how marketing Performance is measured in Ethio Telecom sector.

The implication from the history of performance measurement suggests, according to Kennerley & Neely (2003, p.37), that measurement systems must reflect the context and the objectives of the organization in question. Ambler (2003: 141) claims that metrics should flow directly from the firms' strategy and business model. The number of metrics that will emerge depends on the strategy and business model. Patterson (2004,p.2) agrees with this notion, suggesting that to determine which success factors to

measure and the appropriate metrics for each, marketers must have a clear understanding of the company's goals.

Most companies develop their thinking about overall marketing assessment and specifically the marketing asset, in five stages namely: Unaware Stage, Many Measures Stage, and Market Focus Stage: Scientific Stage (Ambler 2003, p.127).

An interesting point to be taken in to account is that measuring marketing performance and measuring organizational performance are the two interlinked and inter-applicable ones whereby the former is an extension of the latter. According to **Neely** (2004, pp.1017-1023), measurement system design, implementation, managing through measurement, and "refreshing" the measurement system, are the four fundamental processes of performance measurement available asserting that each process poses various challenges.

The service marketing performance problems in ET are those related to lack of measurement metrics, lack of awareness , giving low value to such activity , non-quick and incomplete response , problems related to Empathy and openness, failure to listen to consumer experience, failure to Provide relevant information, employees improper ways and approaches in dealing with customers enquiry, failure to Customize of product/service offering to meet customers' needs , problems related to assurance of quality and reliability of service.

1.4. Research Questions:

This study addresses the following research questions:

1.4.1. What do Ethio telecom managers experience in terms of the growth in Importance and awareness of service marketing performance measurement, and How did these changes come about?

1.4.2. What systems, tools, processes, methods or techniques does Ethio telecom use to monitor, measure and report on it service marketing performance?

1.4.3 How advanced is Ethio telecom conceptually and practically in terms of measuring service marketing performance?

1.4.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

1.4.5. How do you see customers' value creation in the delivery of ET's services to its customers while maximizing its profit?

1.4.6. How can Service Quality Provision of ET be evaluated from Customers' Point Of View?

1.5. Objectives of the Study:

This study aims to provide an insight into measurement of marketing performance and the metrics used in Ethio telecom.

1.5.1. General Objectives:

The primary objective of this study is to examine the marketing performance measurement of Ethio Telecom by exploring the opinions, techniques and methods, challenges and status of the company. This research is also intended to explore Ethio telecom quality of service by way of interview and by distributing Questionnaire to Ethio-telecom customers in Addis Ababa using both quantitative and qualitative survey thereby measuring customer satisfaction levels with recalled service encounters using convenience type of data collection method.

The study takes an in depth looks at how Ethio telecom managers perceive the idea of service marketing performance measurement. It explores the range of marketing measures they use to measure the impact that marketing has on the bottom line, and investigates the challenges that Ethio telecom managers face in measuring marketing performance and finally, to identify the level of its advancement in Ethio telecom.

1.5.2. The specific Objectives:

The secondary and more specific objectives of the study are to:

- ascertain what Ethio telecom managers have experienced in terms of changes in awareness and importance of measuring marketing performance, and to what they ascribe these changes.
- Investigate what marketing activities Ethio telecom managers measure in the company, and what methods they employ to do so.
- Know how Ethio telecom managers determine which marketing activities are important to measure.
- Examine, what Ethio telecom managers consider as barriers to measuring marketing performance in the firm?
- Assess current marketing performance measurement in the company;
- Know the importance top management attaches to service marketing performance measurements.
- Examine whether the ability to measure marketing performance has any actual effect on either firm performance or marketing's stature
- Identify the real problems of customer dissatisfaction in Ethio telecom service provision.
- Explore Ethio telecom customer satisfaction levels and the issue of quality of service.
- Assess how customers evaluate the service provision of Ethio telecom.

CHAPTER TWO: LITERATURE REVIEW

2.1. Marketing Performance Measurement:

António Pimenta da Gama, (2011) state that although remaining a difficult resolution subject, marketing performance measurement has been studied for decades. In recent years, according to Gama, the study of marketing performance and the relationships between its measures has come to attract renewed attention from the academic community. Clark et al.(2006) stated that unfortunately, marketing performance is the product of a host of processes and conditions: marketing activities span multiple functions both within and outside the firm, and their results are subject to many lagged effects, which makes it even harder to disentangle cause-and-effect relationships. Sheth and Sisodia (2002) sated that the subject is also responsible for the continuing erosion of relative power suffered by marketing departments, and a great deal of internal pressures to which area professionals have been subjected.

It is also mentioned that despite the proliferation of financial and non-financial isolated measures marketing performance as a whole, translated into a clear and reliable universal instrument by which the respective merits can be evaluated, has received limited attention in the literature (Ambler and Riley, 2000).

The introduction of telecommunication services in Ethiopia dates back to 1884, seventeen years after the invention of telephone technology in the world. It was Minilik II, the King of Ethiopia, who introduced telephone technology to the country in 1884, with the installation of 477km. long telephone and telegram lines from Harar to Addis Ababa. Ehio Telecom is the oldest public telecommunications operator in Africa Wholly owned by the federal government of Ethiopia and the sole telecom service provider in the country. As already mentioned above, Ehio telecom is providing telecommunications voice and data services, using satellite, optical fiber, microwave, multiple access radius, very small aperture, ultra high frequency and very high frequency communication Medias.

The telecommunication services in Ethiopia have assumed to be made rapid stride both in quality and quantity. However, the user at large are found dissatisfied with quality and quantity of the services made available to them. Thus customer orientation is the main focus for any successful business organization to be triumphant in the market place. In recognition of the huge challenges created by the

increasing requirement for a modern telecommunications services by its customers and in response to the civil service reform program of the nation, ET is commissioning a system overhaul (Mangnale V. S, 2010: P.32)

The measurement of service marketing performance is essentially a form and extension of organizational measurement. The theories advocating performance measurement dates back many centuries. The service marketing performance literature has been criticized for its inadequate diagnostic power and its concentration on the short run. Multiple measures and the commensurate difficulty of comparison and the dependence on those chosen shows that marketing is inadequately measured. The measurement process for service marketing performance is complex, time consuming and challenging, but is a necessary step in the evolution of the practice of marketing (Ambler, 2003, p.130). A review of the literature conducted for this study showed consistent patterns relating to inadequate and excessive measures. Ambler & Wang (2002:2) support this by stating that research points to a multiplicity of marketing metrics.

In the words of Day and Wensley (1988), the marketing performance literature has been criticized for its limited diagnostic power, and according to Dekimpe and Hanssens (1995) its focus on the short term, and on the other hand the excessive number of different measures and the related difficulty of comparison (Clark 1999; Kokkinaki and Ambler 1997); the dependence of the perceived performance on the set of indicators chosen (Murphy, Trailer and Hill 1996.)“Perhaps no other concept in marketing’s short history has proven as stubbornly resistant to conceptualization, definition, or application as that of marketing performance” (Bonoma and Clark 1988, p. 1).

Customer satisfaction is one of the important outcomes of marketing activity and high customer satisfaction is important in maintaining a loyal customer base. To link the service quality, customer satisfaction and customer loyalty is important. Kumar *et al* (2009, p.52) stated that high quality of service will result in high customer satisfaction and increases customer loyalty.

The brief account of evidence recorded above demonstrates that most companies do not, and or cannot measure their service marketing performance. Ambler (2000, p.140) confirms that companies that measure marketing performance are in the minority.

2.2. The Measurement of Managed Organization:

It is provided on the Performance management.net that measurement-managed organizations have been described as those organizations that have adopted a strategic and balanced set of Key Performance Indicators (KPIs) with which they plan, implement, operate and monitor the strategies, functions and processes of their organization. Various studies on the use of measurement as a management tool have shown positive results in most areas of concern to senior management.

An eye catching point to be noted here is that measurement-managed organizations is described as those that have adopted a strategic and balanced set of Key Performance Indicators with which they plan, implement, operate and monitor the strategies, functions and processes of their organization and that there are various cultural characteristics that measurement managed organizations exhibit and Understanding these characteristics is the first step in understanding what measurement means to companies(ITPMG ,2003,p.1).

2.3. Marketing and Cash Flows:

Marketing can be addressed as the creation and harvesting of inward cash flow, and the means whereby a firm achieves its key objectives Ambler (2003, p, 5). According to Ambler, marketing has to satisfy three groups of people: immediate customers (trade customers), end users (consumers) and thereby all the firm's stakeholders. Ambler stated that its indirect responsibility is to make sure that the cash flow is large enough to cover these needs.

There are a number of characteristics that help to define measurement-managed organizations. These have been identified in a number of studies including one by Lingle and Schliemann in their book "Bullseye, Hitting Your Strategic Targets through High-Impact Measurement." The following table describes their findings regarding measurement-managed organizational characteristics.

2.4. Measurement Metrics:

A metrics is a measuring system that quantifies a trend, dynamic, or characteristic. In virtually all disciplines, practitioners use metrics to explain phenomena, diagnose causes, share findings, and project

the results of future events. A metric can be described as “measuring system that quantifies a trend, dynamic or characteristic” (Farris, Bendle, Pfeifer & Reibstein, 2006:1). The use of marketing metrics is the main result of pressures from top management and shareholders to justify marketing spending.

Marketing performance metrics differ depending on whether the aim is to evaluate performance for consumer or business to business companies. Depending on the situation different companies can focus on different types of metrics. It is essential to consider different metrics when building a system for marketing performance measurement. The fundamental metrics should include not only quantified metrics that are easy to measure (for example, number of new customers, ROI) but also non-quantified ones (brand awareness, brand equity) since it is the latter which are mostly able to determine the long-term vitality of a business.

There is no evidence in the literature to suggest that one definition of metrics is fundamentally different from another. The underlying idea is the metric is predominantly quantitative in nature, and is used to compare one variable to another, for the purpose of determining performance.

2.5. Assessment Criteria:

According to Ambler (2003,p.260), how well marketing is performing depends on three types of comparison: What was expected; external benchmarking against the market or competitors; and adjusting for any brand equity in order to compare like with like, and therefore, what were, or should have been the goals.

2.6. Service Marketing Performance Measurement Development: An Overview

The following discussion involves theoretical and empirical perspectives that may account for the growing interest in the use of metrics to evaluate service marketing performance, which will explain why it is important for companies to measure their marketing performance. It also provides a theoretical background to this research.

(i) Control Theory:

It can be understood according to Ambler & Riley (2000, p.65) that research for marketing metrics can be explained by control theory and that managers endeavor to reduce performance outcome variances by identifying performance predictors and this can be done by modeling the relationships between the predictors and performance, and then monitoring the predictors.

In his definition of marketing control, Jaworski (1988, p. 24) stated that the monitoring of the results deriving by marketing activities provides the informational means to ensure that planned marketing activities produce desired results.

In the explanation of Barwise & Farley (2004, p.257), control theory is a combination of unanticipated events (both good and bad) and stronger or weaker than expected execution cause the outcome to be better or worse than planned. Control theory suggests the need for ex-post or retrospective information on marketing programs as an essential part of the cycle of analysis, planning, implementation, and control.

(ii) Agency Theory:

The basic principle behind agency theory is that it fits well in to the context of marketing metrics (Jensen & Meckling 1976, P.101) and considers the contractual relationship between a principal and agent which are expected to be act rationally, and the latter always and most likely to meet the objectives of the former. Hence, an agency relationship arises whenever one or more individuals, called principals, hire one or more other individuals, called agents, to perform some service and then delegate decision-making authority to the agents.

Hence, from the point of view of agency theory it is safe to say that the perceived effectiveness of marketing actions is dependent upon the control model adopted within the firm and also upon the effectual implementation of such model.

(iii) Market Orientation:

In the words of Barwise & Farley (2004, p.33) the literature on market orientation, offers some insight on marketing orientation. And market-oriented firms tend to enjoy superior performance. And also that Competition is steadily forcing firms to be more market oriented and that metrics are part of 'market sensing'. It is true that. Market orientation involves a combination of 'market sensing' and appropriate, cross-functional responsiveness to the resulting data. Metrics are part of 'market sensing'.

An important point to note is that the presence of organization wide norms for market orientation can be considered as the fundamental features of a market oriented organizational culture (Ambler et al 2004: 67)

(iv) Institutional Theory:

According to institutional theory, as marketing metrics become more widespread among firms their use will become an institutional norm, encouraging further uptake among late-adopting businesses (Meyer & Rowan, 1977). In the words of Barwise & Farley, (2004, P.41.), nevertheless, the increasing emphasis on intangible, a "balanced scorecard", and market orientation suggest that successful firms will indeed need to use metrics, even if this cannot yet be proved empirically.

According to Meyer and Rowan (1977) Institutional theory postulates that organizational action is mainly driven by cultural values and by the history of the specific company as well as by those of its industry sector. In this framework, according to (Eisenhardt 1988) organizational actions reflect imitative forces and traditions, even in the presence of major changes in job content and technology

(v) Brand Equity as an intangible Marketing Asset and Driver of Measurement:

Brand equity refers to and is a widely used term for the intangible marketing asset and introduced as a new concept by Aaker (1991, P.2-3), and subsequently, the need to measure it arose, and the search for metrics to do so ultimately began.

According to Walfried Lassar, Banwari Mittal, Arun Sharma, (1995) Brand equity facilitates in the effectiveness of brand extensions and brand introductions and is therefore is very important to marketers of consumer goods and services.

Srivastava and Shocker (1991, p. 5)) defined brand equity as “a set of associations and behaviors on the part of a brand’s customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name and that gives a strong, sustainable and differential advantage” .

A significant proportion of the market value of firms today lies in intangible off-balance sheet assets, such as brands, market networks, and intellectual property, rather than in tangible book assets (Rust, Ambier, Carpenter, Kumar & Srivastava, 2004,pp.76-89.)

A very interesting remark made by Ambler (2003, p.270) he made a comparison of brand equity to an elephant, signifying that the notion is so big that people have difficulty in describing it. The basic principle is that marketing decisions should be based on brand equity as well as profit considerations. “Six monthly is the optimal brand measurement frequency for most firms.” The literature indicates three main methods of measuring brand equity: nonfinancial measures, brand valuation and consumer utility.

2.7. Stages of service Marketing Performance Assessment

According to Ambler (2003), most companies develop their thinking about overall marketing assessment, identified the following five possible stages of marketing performance assessment:

Stage 1: Unawareness (No assessment at all) :At this stage, according to Ambler (2003), Companies have not considered marketing assessment at all and therefore that the stage characterizes companies in which the idea of marketing performance assessment has not yet even risen, the possible causes being the fact that marketing is not seen as something that needs attention from top management or that things are going so well for the company that there is no place for changes or critical marketing review.

Stage 2: Financial Evaluation / Marketing assessment from a financial point of view/: In this stage, according to Ambler (2003), top management is mostly preoccupied with the financial figures, determining that marketing, as well as other functions, is evaluated by means of revenue, profits and, in some cases, brand valuation. While this stage is somewhat far off from the idealistic scientific stage, it is a much better off position to be in than the initial unaware stage. However, at the financial phase alone, it becomes time to progress as companies gain confidence in marketing assessment.

Stage 3: Many Measures / Mix of financial and non-financial metrics /: Ambler,(2003.) stated that many measures stage is characterized by the understanding that financial measures must be balanced with non-financial measures, including those from the marketplace . According to Ambler (2003), that 13 per cent of respondents fall into this category but the problem with having many measures however that is the abundant availability of data does not easily progress through the knowledge hierarchy.

Stage4: Market Focus (Development of a market focus): implies the degree to which a company is market oriented. The overwhelming varieties of metrics (both financial and non-financial) are being streamlined by management, and a collection of indicators are selected in order to give a single coherent view on the market. At this stage, companies have developed their marketing assessment thinking beyond financial measures and have understood that too many measures are cumbersome and thus ineffective. This leads firms to the realization that a refined set of metrics, which include both market and financial metrics, is the best way to measure marketing performance.

Stage 5: Scientific (Adoption of a scientific approach to measuring performance):

Ambler (2003,pp. : 108-109) stated that this stage involves an even more rationalized and refined process of selecting the performance measures, by applying mathematics and qualitative analysis to the database of past and current metrics in order to provide the shortest and most relevant list. According to Ambler, the scientific stage is characterize by a comprehensive metrics and diagnostics comparable database, where the candidate measures can be subjected to quantitative analysis, to determine which were best for predicting current performance.

2.8. Marketing Productivity Measurement

Marketing productivity is defined as “the quantifiable value added by the marketing function, relative to its costs” (Sheth and Sisodia, 2002, p. 351). According to Rust et al (2004,p.76-89),on the other hand marketing actions, such as advertising, service improvements, or new product launches can help build long term assets, for example, brand equity. These assets can then be leveraged to deliver short term profitability.

2.9. Appropriate Metrics to Measure:

A metric is a measuring system that quantifies a trend, dynamic, or characteristic without which the tracking of performance, marketing and business plans are ineffective. For marketers, three primary metrics stand out as a starting point for tracking their performance. Once companies are aware of their competitive position, their desired outcomes, and what it will take to achieve those outcomes, companies will be better able to identify the success factors, benchmarks, and appropriate metrics to meet their target.

The important issues to be raised are what is marketing aiming to achieve, what are the distinctive characteristics of our brand and who are the intended audiences? This view was reverberated by Patterson (2004) who claimed to decide which success factors to assess and the proper metrics for each, marketers must have a clear understanding of the firm’s objectives.

Comparison was made on the two approaches by Ambler(2003) according to which the first approach advocates the use of universal general metrics ,while the second advocates a tailored set of firm specific metrics.

2.9.1 General approach

Ambler’s (2003) general approach advocates the use of three financial and six brand equity measures to measure marketing performance. Table 1 below combines the financial metrics, while Table 2 brings the general brand equity metrics together.

Table 1- Standard profit and loss account metrics

Actual Metric	% compared with plan and/or prior year	%compared with competition
Sales	Volume value	Market share
Marketing investment	Period costs	Share of voice
Bottom line	e.g economic profit	Share of profit

Adapted from: Ambler, 2003

Table 2- General brand equity metrics

Consumer metric	Measured by
Familiarity	Saliency, Familiarity relative to the other brands in consideration set
Penetration	Number of customers or the number of active customers as a percent of the intended market
What (people) think about the brand	Brand preference as a per cent of preference of other brands within the consideration set or intention to buy or brand knowledge
What (people) feel about the brand	Customer satisfaction as per cent average for the consideration set
Loyalty	This may be behavioral (share of category requirement, repeat buying, retention, churn) and/or immediate (commitment engagement or bonding)
Availability	Distribution, for example, weighted percentage of retail outlets carrying the brand

Adapted from: Ambler, 2003

2.9.2 Tailored Approach:

According to the proposition made by Amber (2003), tailored approach is the direct opposite of the general. To be successful, a company must have a different policy and strategy, and to some extent, that implies different metrics.

In the words of Ambler (2003), building tailored metrics is challenging, and that few executives give it that much time. According to Ambler, many firms get by without any metrics at all, some prefer the general three and six approach above, but while the tailored approach is not essential, Ambler (2003:137) suggests that firms who do not adopt it, “may wonder where and when their business parted with the rest of the world” in years to come.

It must be understood that even if marketing may not close the deal, marketing strategies shift the customer through the buying process, from awareness to consideration. Four key performance indicators enable one to address market share: Customer growth rate; Share of preference; Share of voice and Share of distribution.

The second responsibility of marketing is to keep the customers that the company acquires and increase the value of these customers. The four performance indicators that will help our drive these penetration-related metrics: Frequency and recency of purchase; Share of wallet; Purchase value growth rate; Customer tenure; and Customer loyalty and advocacy

The third responsibility of Marketing is monetization. “Up to and until the 1970s, a company’s value was determined by its book value. Marketing professionals can improve the market value of their company by improving their performance in four key areas: Price premium; Customer franchise value; Rate of new product acceptance; Net advocate score.

UNIT THREE: RESEARCH DESIGN AND METHODOLOGY:

3.1. Research Methods and Procedures:

Research Methods: The nature of the problem statement presented in this research is such that deep and broad information is required from each respondent. Thus the method of the study will be largely qualitative and also quantitative.

Procedure of the Research: my planning to carry out research, activities involved, and the duration of time it takes are quite important. Since time constraints are prevalent, a snapshot can only be provided, which would provide insight into how Ethio telecom currently measures Service marketing performance.

3.2 Study area:

The actual area of problem investigation considers Measuring Service Marketing Performance of Ethio telecom with particular area of Addis Ababa. By personal interview of Board of Directors, Executive Management, Managers at different levels, the employees at Ethio telecom head quarter. At Head quarter and Six Addis Ababa Zones; and as to the Quality of Service provision survey from Residential customers, Enterprise Customers, VIPs, and Distributors for GSM Mobile, CDMA, Internet data, FL etc that these customers In Addis Ababa .

3.3. Research Design:

Measuring marketing, it would appear, can best be described as a series of activities designed to assess the viability and appropriateness of existing marketing strategy (in terms of advertising, promotion, etc). The research design is opted in this study are two: one is an interview method for applicable for ET board of director, Executive Management and other managers of zonal levels as well as supervisors . The second one is a questionnaire method applicable for internal customers, external Customers using seven-point Likert scale for measuring the service quality provisions of ET.

3.4. Unit of Analysis and participants of the study.

Units of analysis are study subjects on which the investigation is focused to resolve the research problem. Research participants, however, are those peoples who are to feel questionnaires/to be interviewed, i.e., respondents from whom relevant facts can be gathered to the problems. Hence Ethio telecom as a service providing institution is the unit of analysis on the one hand, and the Ethio telecom Board of directors, different level managers like CEO, Chief Operating Officer, Residential marketing officer, Enterprise marketing officer, Chief technical and network Officer, and their department officers, section managers, supervisors, employees, Enterprise, VIP, and Residential customers etc. are Subjects/ research participants on the other hand.

3.5. Ethical Clearance

(i) Methods of Data Collection, Source, Research Instrument and Discussion Guide

Personal interviews are conducted with managers of Ethio telecom. The responses from these interviewees will serve as the primary data for this study, while all other data constitutes secondary data. To attain the objectives of the study, a questionnaires been designed and distributed to the concerned Ethio Telecom managers, and customers about the marketing performance measurement and service quality of Ethio telecom. Hence, through structured questionnaire and in-depth personal interviews marketing performance measurement has evaluated and customer satisfaction levels have measured.

The following discussion guide is used to provide the insight for this study.

To ascertain the respondent understands of the central issue of this study and serves as a point of departure, which helps the respondent orient him or herself to the field of marketing measurement a guide of “What do you understand by the term “Measuring service Marketing Performance?” is to be put before the interviewees

To get the role and purpose of Service marketing performance measurement from the respondents and its contribution to the achievement of the company’s objectives, a statement of guide “What do you feel and observe as to the role of Service marketing performance measurement plays in Ethio-Telecom? “ is to be table again before the interviewees.

What have you experienced with regards to changes in awareness and importance of marketing performance measurement in Ethio-telecom and in general marketing trends, and if so, to what would you ascribe these changes? With the aim to investigate the changes in awareness and importance in marketing performance measurement, and the reasons for those changes as an open ended is put in place

An open ended question” What do you measure in your company, and what techniques do you use to measure these activities “that gives the respondent the opportunity to provide a list of those marketing activities that are tracked and measured, and the tools or methods used to perform that measurement is forwarded to the respondents.

There also again an open ended question that How do you determine what is important to measure in your company?” that aims to uncover the methodology that respondents follow in determining which metrics to employ to measure marketing performance is also applicable.

A question that intends to rate the organization’s marketing assessment system, i.e, “How would you rate your company’s marketing performance measurement system? “is also provided to the interviewees.

Again an open ended question like “What are the challenges to measuring marketing performance in your company?” so as to enable the respondent to state and explain the challenges that preclude him or her to effectively measure marketing performance is presented to the interviewees.

It must be noted that employees are a decisive component of service quality. This is basically realistic for services exemplified by a high degree of person-to-person interaction with a question guide of that “How ET developed a method to evaluate the quality of service delivery process designs?” to delineate the service encounter as the intact exchange between customer and service provider from the preliminary contact through wrapping up of the exchange.

According to Tse and Wilton (1988), satisfaction is the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption. Bitner (1990) provides that expectations, according to the disconfirmation paradigm, exert an important influence on customer satisfaction with the service

encounter and thus on service quality perceptions with a guide question of “What are the Critical issues related to Ethio telecom customers’ satisfaction levels from the point view of customers?” will made available to the interviewees.

(ii) Samples and Sample Design

According to Cooper & Schindler (2003) the basic idea of sampling is that by selecting some elements of the population, we may draw conclusions about the entire population. For this study the sample size and members selection decision is made that on the service marketing performance measurement interviewees are selected from Board of Directors, Executive management (CEO,COO, and CxOs, Department Heads ,Section managers and Experts the total number of ten . As service quality provision of the company is concerned, Addis Ababa city is geographically divided in to six Zones that from these six are collected 300 residential customers: 50 customers from each Zone; 40 VIP customers from 40 known Federal institutions as well as 40 enterprise customers from eight enterprise institutions five from each institution. .

iii) Validity /Data Quality Assurance:

Hair *et al.* (2007, p.8) defined the validity as “the degree to which a measure accurately represents what it is supposed to”. Validity is concerned with how well the concept is defined by the measure(s). Fujun *et al.* (2007) mentioned [cited from Nunnally and Bernstein, 1994] about three types of validity: content validity, Predictive validity, and Construct validity. Duggirala *et al.* (2008) defined the content validity as the assessment of the correspondence between the individual items and concept. Malhotra (2010) defines the content validity as face validity. This study addresses content validity through the review of literature and adapting instruments used in previous research.

Validity is the degree to which a measure accurately represents what it is supposed to (Hair *et al.* (2007, p.8.) It is concerned with how well the concept is defined by the measure(s). Validity can be internal and external. Internal validity is defined as the approximate validity with which we infer that a relationship between two variables is causal (Cook and Campbell, 1979. P.37).The external validity is also not confirmed, since the sample of this study is limited, and cannot be used to generalize any findings across the population.

iv. Reliability:

Hair *et al.* (2007) defined reliability as “an extent to which a variable or set of variables is consistent in what it is intended to measure.” They mentioned that the rationale for internal consistency is that the individual items or indicators of the scale should all be measuring the same construct and thus be highly intercorrelated. Fujun *et al.* (2007) pointed out [cited from Nunnally and Bernstein, 1994] that the Cronbach alpha with acceptable cut off point 0.70 demonstrates that all attributes are internally consistent.

Reliability differs from validity in that it relates not to what should be measured, but instead to how it is measured. Several measures have been used to establish the reliability of the instrument, for example, split-halves, test-retest, equivalent forms and internal consistency method. Cooper and Schindler (2003: 239) suggest that to improve reliability, the various options available are :Minimizing the external sources of variation which implies that the respondents and their environment should be consistent; broadening the sample measurement questions used by adding similar questions to the data collection instrument, or add more observers or occasions to an observational study.

The Variables of the study are interviewees (Nine respondents), **and** research instruments on the other hand are the questionnaire, tangibles, reliability, assurance, empathy and satisfaction using a five likert scale for the measurement and analysis.

3.6. Scope and Delimitations of the Study

3.6.1. Scope of the Study:

It is aimed at researching and reporting on limited aspects from the wide field of service marketing performance measurement. It investigates the main aspects in Ethiopian telecom service organization, by drawing comments, opinions, perceptions and facts during interviews and questionnaire with the research participants.

3.6.2. Limitations of the study:

Being a relatively new science, with no research in circulation, in Ethiopia, this study is to focus on slight depth, and intending to yield an overview of the science, and its place in Ethiopian telecom.

In light of what have stated above, this research may be inhibited by the limitations surrounding the collection of information, such as time constraints, limited accessibility to managers of Ethio telecom, employees, residential and Enterprise customer.

3.7. Expected Contributions from the Study:

The contributions of this research are many. It will contribute in examining the growth in importance and awareness of service marketing performance measurement by managers, suggesting appropriate tools, process, methods and techniques to apply; helps to point out the level of advancement of ET in measuring marketing performance, the challenges that ET is experiencing and suggest solutions for them.

The other basic expected contributions of this study is that it can serve as a roadmap for marketing and business managers of ET who desire to improve overall marketing performance through the use of marketing performance measurement. It will also contribute to what concerned ones already know about marketing performance measurement, and inspire a change in how to study and practice it.

3.8. Organizations of the Study:

Regarding the substance of the paper, five major parts will be dealt with the organizations of which is in order: Chapter I deals with the basics of introductory part under which objectives of the study, statement of the problem, scope of the study, methodology of the study are to be covered . Chapter II deals with Literature Review dealing with a theoretical framework which constitutes the underlying foundation of this theme, and a brief review of work done by researchers on this subject throughout the world. Chapter III presents Research Design and Methodology describing the problem statement and research questions. In chapter IV Data Collection and Results used to research this topic, i.e., data presentation, analysis and interpretation will be given. Discussion- Data Presentation, Analysis and Interpretation are presented in chapter 5. The research will end up with chapter 6, in which final conclusions are drawn, followed by recommendations and suggestions for further research.

-----////////-----

CHAPTER FOUR: DATA COLLECTION AND OUTCOMES

4.1. Outcomes

4.1.1. Introduction

This chapter synthesizes the data collected and presents the individual respondents' views in narrative and /or reported format .This will reveal consistencies and patterns which may explain current behavior.

4.2. Respondents Views

4.2.1 Chairman of the Board of Directors of ET

4.2.1.1 What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

The chairman stated that:

“Telecom sector in Ethiopia is expected to play a significant role in the development of the country with two fold long term goals: to be self-financing public enterprise for all of its projects; and to generate a reasonable ROI so as to provide financial support to other infrastructure like roads, railways and power etc, to which it has to continuously measure its service marketing performance however, the growth in and awareness of service marketing performance measurement by managers found at different levels are almost insignificant.”

According to the chairman, even though service marketing performance measurement in ET is quite important to achieve the telecom sector's national goals, it is not yet fully practiced and the awareness level of the managers of the company is almost unknown yet and hence he noted that he has experienced no definite increase in awareness and importance.

4.2.1.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

The chairman clearly mentioned that:

“Even though, ET has envisioned to enter in to a world class telecom Operator no systems, tools, processes, methods or techniques have put in place by ET to monitor ,measure and report on its service marketing Performance measurement. ”

According to the chairman, the former Ethiopian telecommunication corporation (ETC) was an old sole state telecom operator in Ethiopia, for its sluggish and non responsive character, was replaced by the new ET in which the latter needs time to put in place what is required by a world class telecom operator and hence have no systems, tools, processes, methods or techniques regarding its service marketing performance measurement.

4.2.1.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The chairman stated that “although ET, being replacing ETC -an aged government monopoly company that lived over 115 years, it is moving poorly and unadvanced in its marketing performance and the measurement thereof.”

It can be understood from the statement of the chairman that Ethio telecom unadvanced conceptually and practically in terms of measuring its service marketing performance

4.2.1.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The chairman stated that “because of the nature and characteristics of the service itself, it is very difficult, though not impossible, to measure the marketing performance, on the one hand and the management and employees are reactionaries to make themselves ready for the measurement of the service marketing performance because it is their performance in one way or another which undergoes evaluation. “

In the words of the chairman, both the nature and characteristics of the telecom service, and the company’s staff including the management and employees are challenges to carry out the activities of

marketing performance measurement. In other words, the basic challenges in measuring marketing performance in ET are that employees and most of the managers are not properly understood the concepts and importance of measuring marketing performance, the tools and applications and/or reluctant to implement even if they understood it.

4.2.1.5. How do you see customers' value creation in the delivery of ET's Services to its customers while maximizing its profit?

The chairman mentioned that:

“In ET, customer is more powerful than ever before; it requires give and take. For the *customer*, Value Creation entails making products and providing services that customers find consistently useful. Such value creation is based typically on product and process innovation and on understanding unique customer needs with ever-increasing speed and precision. Real value creation—and long-term growth and profitability—occurs when and as ET develops a continuous stream of products and services that offer unique and compelling benefits to a chosen set of customers.”

According to the chairman, Ethio-telecom understands that its purpose is to create value for customers, employees, and investors, and that the interests of these three groups are inextricably linked. Therefore, sustainable value must be created for all of them. The first focus should be on creating value for the customer, but this cannot be achieved unless the right employees are selected, developed, and rewarded, and unless investors receive consistently attractive returns.

4.2.1.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers' point of view?

The chairman clearly stated that “Customer satisfaction is the outcome of service quality and that from the customers' point of view, the real problems of customer dissatisfaction in ET is the irritating service quality offered by the company to the customers.”

4.2.2. Chief Executive Officer of Ethio-telecom

The CEO of ET believed that measuring marketing performance is directly related to the success of each marketing activity, essentially the return on marketing investment, where investments refers to money spent on full campaigns, not only advertising and media.

4.2.2.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

The CEO stated that” an efficient telecommunications system depends largely on the calibre, skill and efficiency of its managerial staff. One of the basic efficiency areas to be seriously considered is the service marketing performance measurement of the company. Of course the service marketing performance measurement growth in importance is at an immature level and the awareness of the management to that effect is still low.”

The CEO confirmed that,” the Ethiopian Government has committed to improve the monopoly telecom service of the country by investing huge capital on two years management contract agreement with France telecom and following this measure, there is a section dedicated for such service marketing performance measurement in Residential marketing & Sales Division, but change has not come about yet. ”

The CEO successfully referred to the measurement of marketing performance as measuring the return on investment and few Ethio telecom managers are somehow aware of the importance of measuring marketing performance to put in place a world-class telecom operator, and there is a plan and strategies to implement marketing performance measurement in order to realize the vision and missions of the company.

The CEO explicitly suggested that senior management has raised accountability as a concern, and now demands increased accountability and answers.

4.2.2.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on it service marketing performance?

The CEO mentioned that “there are no systems, tools, processes, methods or techniques developed by Ethio telecom that can be used to monitor measure and report on its service marketing performance but there is a plan and strategies in preparation to implement marketing performance measurement in order to realize the vision and missions of the company.

4.2.2.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The CEO e mentioned that “Ethio-telecom is not yet conceptually and practically developed in terms of measuring its service marketing performance”

According to the CEO, ET is coming out of the ETC’s old, traditional and sluggish way of doing business and hence the service marketing performance measurement of Ethio telecom is unadvanced

4.2.2.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The CEO clearly stated that “as there is an ongoing plan and strategies in preparation to implement marketing performance measurement, it is inappropriate at this point in time to mention the challenges that ET is facing as there is no start for such measurement except the nature of the service.”

The CEO stated that “and even if no challenge is faced as measurement of service marketing performance is not resumed, in principle it is a costly exercise, and commands a substantial budget. Being the large corporation that it is, and given the complexities of the category, measurement can become highly complex and requires deep and broad understanding or marketing.

The idea of The CEO is that as far as there is no beginning of measuring of service marketing performance measurement, it is impossible to pinpoint the actual challenges practically.

4.2.2.5. How do you see customers’ value creation in the delivery of ET’s products to its customers while maximizing its profit?

The CEO stated that “Ethio-telecom is to create value for customers, which can be categorized in to Internal and external customers.(External customers are VIPs, enterprise and Residential customers.)

For the *customer*, Value Creation is providing services that customers find constantly useful on understanding unique customer needs.”

The CEO stated further that, “Creating value for *investors* means delivering consistently high returns on their capital. This generally requires both strong revenue growth and attractive profit margins. These, in turn, can be achieved only if a company delivers sustained value for customers.”

4.2.2.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers’ point of view?

The CEO, stated that “the Real Problems Of Customer Dissatisfaction In Ethio Telecom Service Industry is the service quality issue, the reluctance of the employee to be responsive for the claims of the customers, the distribution of SIM and Voucher cards, the lack of service guarantee obligations adopted by the company and the less responsive of the operation and maintenance employees in case of service interruptions.”

In the words of The CEO, “the telecommunications industry is characterized by new technologies, new services, and huge capital investments to make content accessible by any device anywhere. The telecommunications industry provides data, voice services, graphics, television, and video at increasing speeds and through diverse channels. While landline telephonic communication is still the core service mode, wireless communication, internet, cable and satellite program distribution are increasing their share in overall industry earnings.

4.2.3 Chief operating Officer (COO) of Ethio-Telecom

4.2.3.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

The COO stated that “the measuring marketing performance refers to the activities which are performed to yield quantifiable measures on what is effective in terms of measuring marketing's return on investment.” Measuring marketing performance has a consequence of accountability

In the words of COO, “Ethio telecom managers do have no experience in terms of the growth in importance and awareness of service marketing performance measurement.”

4.2.3.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

The COO noted that “some two years back, full analyses on marketing spend were not conducted. Today, Ethio telecom is a company fastly running to enter in to the camp of world class operator, preparing measurement scale, and developing plans and techniques to measure marketing performance.”

The COO stated even though it has to be a key priority for the company, currently ET has no developed service marketing performance measurement systems, tools, processes, methods or techniques except that it measures so incidentally.

4.2.3.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The COO clearly mentioned that ‘in ET, marketing is a significantly underleveraged function but from a very recent time, measuring marketing performance generates interest but is still in its very inception stage.’

Hence, it can be deduced that service marketing performance measurement in ET is at a plan stage.

4.2.3.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The COO stated that “Ethio telecom doesn’t start to measure its Service marketing performance and, therefore, it is inappropriate to talk about the challenges that it faces in doing so.”

4.2.3.5. How do you see customers’ value creation in the delivery of ET’s products to its customers while maximizing its profit?

The COO stated that “Ethio-telecom is working with the intention to create value for customers, to provide services that customers find constantly useful.”

The COO mentioned further that, “customers value creation in ET means that with ET’s customers will show satisfaction in what purpose they want &/or bringing returns on their capital provided that they are investors of revenue growth and attractive profit margins which can deliver sustained value for customers.”

4.2.3.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers’ point of view?

The COO stated that “Customer satisfaction significantly affects company performance and survival. Thus customer orientation is the main focus for any successful business organization to be successful in the market place. In ET, the concept of customer satisfaction has attracted much attention and is an important outcome of marketing activity in the marketing literature. “

According to The COO today Ethio telecom is making a mind shift to work focusing on customer satisfaction strategy, i.e., on how to differentiate, target their market segment, and find better ways to understand their customers. The goal is to become the sole provider of all services to an individual customer as a way to drive up customer demand fulfillment.”

4.2.4. Chief Technical Officer (CTO) of Ethio-Telecom

4.2.4.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

In the words of the CTO, “Service marketing performance measurement is used by marketing professionals to describe the analysis and improvement of the efficiency and effectiveness of marketing. But measuring marketing performance in Ethio telecom is still in its infancy, the growth in importance and awareness of service marketing performance measurement is inconsiderable.”

4.2.4.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

According to the CTO, “ET has no developed service marketing performance measurement systems, tools, processes, methods or techniques even though its importance for ET is undeniable.

4.2.4.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

According to the CTO , the conceptual and practical development of Ethio telecom in terms of measuring its service marketing performance is totally at its infancy stage and hence can be said no advancement.

4.2.4.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The success or failure of the service can only be determined by analyzing both the network's ability to deliver the service and the semantics of the data as it passes through the network. As new services will demand rapid introduction to the mass market, requirements for introduction of monitoring and service surveillance platforms demand flexible and scalable solutions.

4.2.4.5. How do you see customers' value creation in the delivery of ET's products to its customers while maximizing its profit?

The CTO stated that "Creating customer value is increasingly seen as a key source of competitive advantage. The value creation process consists of among other things the value the organization receives from its customers (the value organization receives)."

In the words of the chief, all value creation begins with the company's final customer. The customer receives some benefits from consuming a product provided by a company. Value creation provides an important linkage between the steps of the strategy process

4.2.4.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers' point of view?

The CTO stated that "From the customers' point of view , the real problems of customer dissatisfaction in Ethio telecom service delivery , among other things are the poor quality of sevice,the inefficient system of operations and maintenance of the network division, and the reluctance of employee to be active responsive to customer demands."

4.2.5. Residential Marketing Officer of Ethio Telecom

4.2.5.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

The officer referred to the measurement of marketing performance as “measuring the return on investment and that Ethio telecom managers are not aware of its importance.”

According to the officer, to become a world-class telecom operator, the management has a plan and strategies to implement marketing performance measurement.

The officer explained that insofar as awareness and importance of marketing performance measurement is concerned, there should be a senior management commitment and pressure but as measuring marketing performance has a consequence of accountability management is reluctant to apply it to be relieved from being accountable. According to the officer, increased education; and to a lesser extent, a desire to enhance the credibility of the marketing discipline and its administrators needs to be considered..

4.2.5.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

The officer clearly stated that “there are established systems, tools, processes, methods or techniques that Ethio telecom uses to monitor, measure and report on its service marketing performance, except “outlined revenue growth, sales person’s performance. Revenue growth is measured by comparing sales from previous periods to current periods.”

According to the officer, even though it has to be a key priority for the company, currently ET has no established service marketing performance measurement systems, tools, processes, methods or techniques except that it measures so incidentally.

According to the officer, one customer can represent significant revenue; and hence the loss of which will result in a significant loss in revenue. The officer said that ET Dashboard, Survey/Research (with a

plan to work with AAU) ,Information from discussion panel with customers, distributors/retailers and other partners ,Weekly, monthly, quarterly biannual & annual report-Sales and other reports.

4.2.5.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The officer stated that “Ethio telecom is an infant company born a year ago (November 29, 2010 replacing the old ETC) and hence conceptually unadvanced to conduct assessment. In addition to existing marketing performance measurements, many other measurements are planned and will be conducted in the future.”

4.2.5.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The officer explains that “ even though measuring marketing performance is not practiced in ET, Measuring its Service marketing performance , there are several challenges that Ethio telecom can faces among which are : Lack of competent agency service to conduct mkt. performance measurement; Limitation of budget; Lack of culture to respond questionnaire (unwillingness, providing misleading information, etc);Lack of timely & accurate data input from internal offices, and data based to measure performance ;Lack of initial training, expertise assistance or knowledge transfer on telecom marketing performance measurement ;Unavailability of data base and software's to manage huge customers data base.”

4.2.5.5. How do you see customers’ value creation in the delivery of Ethio Telecom’s products to its customers while maximizing its profit?

The officer said that “the value creation process consists of three key elements: determining what value ET can provide to its customers (the value customer receives); determining the value an ET receives from its customers (the value organization receives); and, by successfully managing this value exchange, maximizing the lifetime value of desirable customer segments.

According to the officer, all value creation begins with the company’s final customer. The customer receives some benefits from consuming a product provided by a company. Value creation provides an important linkage between the steps of the strategy process

4.2.5.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers' point of view?

The officer said that “the real problems of customer dissatisfaction in ET service delivery from the customers' point of view, among other things are that of service quality problems and issues associated to it. “

According to the officer, Service quality is an important element from the customer's point of view and that SERVQUAL is a valid instrument to measure service quality in telecom service provision of ET.

4.2.6. Enterprise Sales Support Manager/Acting Officer:

4.2.6.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

The officer explained that “though attention has not been given for long time to marketing performance KPIs, currently however, there is no strict follow-up for these KPIs in marketing divisions (Enterprise and Residential divisions).

4.2.6.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

According to the officer, ET has no developed service marketing performance measurement systems, tools, processes, methods or techniques even though its importance for Ethio telecom is quite clear.

The officer stated that “KPIs for Enterprise Division specifically, there is a database application in which sales people always feed their daily sales and any person who has a password and user name can access and monitor the sales.”

According to the officer, Perceived service quality and its measurement has become an essential focus for ET in designing and implementing a customer-oriented strategy. Customer satisfaction is vital in attracting new customers and retaining the existing customers.

The officer mentioned that marketing metrics have not been explored in ET meaning that ET managers fail to understand, select and utilize measurement tools (metrics),

4.2.6.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The officer stated that “Though Conceptually and practically the advancement of Ethio telecom in terms of measuring its service marketing performance is poor.

Acc according to the officer, conceptually and practically in terms of measuring its service marketing performance, Ethio telecom is far from advancement.

4.2.6.4. What challenges do Ethio telecom faces in measuring its service marketing performance?

The officer stated that “In measuring its Service marketing performance Ethio telecom is facing such challenges like: (1) the sales is not completed in one work unit (eg. ADSL ,Fixed line sales need survey and service order which are done by other work unit(Netowrk Division).Hence,difficult to put every sales decrease(low performance) to the sales divisions (2)There are some services sold outside Zsmart(Like Bulk SMS) and not easy to measure as marketed services”

The officer stated that no particular trend existed amongst ET marketing managers. No or insignificant challenges toward measuring marketing performance. Other challenges attributed to an undeveloped measurement culture.

In general, according to Belete, there is not as such a challenge for service marketing performance measurement as such measurement is not operational at company level yet.

4.2.6.5. How do you see customers’ value creation in the delivery of ET’s products to its customers while maximizing its profit?

According to the officer, as of today, it is very difficult to say we are adding value to customers need to the required level due to poor: network quality; maintance service and customer service.

4.2.6.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers' point of view?

The officer stated that “ from the customers' point of view the real problems of customer dissatisfaction in Ethio telecom service delivery are: less responsiveness of the employees, poor quality of service, inaccessibility of the product and services, unaffordable price, poor network infrastructure.”

The general idea derived from his response is that Service quality problem is a major root cause of customer dissatisfaction.

4.2.7. Indirect Channel Manager of SAAZ

4.2.7.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

According to the manager, as to awareness and importance of marketing performance measurement is concerned, there is lack of senior management commitment and pressure but as Measuring marketing performance has a consequence of accountability for which management is too slow to apply not calling accountability to them . According to the officer, increased education; and to a lesser extent, a desire to enhance the credibility of the marketing discipline and its administrators needs to be considered.

The Manager stated that, “In ET, service marketing measurement may have has far –reaching importance. However, According to the manager, ET managers may know the theory but often not seen in bringing it to the ground but they are not practicing the theoretical body of knowledge in service marketing they might have acquired from formal studies /university programs/.Hence in the words of the manager , it is imperative to put the service marketing measurement in the business plan of the company and that Change may come probably by first giving on job training & conducting serious evaluations about implementations.

4.2.7.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

The Manager stated even though it has to be a key priority for the company, currently ET has not developed service marketing performance measurement systems, tools, processes, methods or techniques except that it measures so incidentally.

4.2.7.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The Manager stated that as far as his knowledge is concerned, there is no service marketing performance measurement in Ethio telecom and hence he can't speak of a conceptual and practical advancement of it.

4.2.7.4. What challenges do Ethio telecom face in measuring its Service marketing performance?

According to the Manager "the most significant Challenge to measurement is the absence of dedication from Ethio telecom staffs that ET is to know its service marketing performance and communicate the result to the needier. Organizational policy coining is underway for the purpose and the responsibility is to be given to concerned work units to periodically conduct the assessment and propose ways to improve the situation if its findings may indicate under performances".

4.2.7.5 How do you see customers' value creation in the delivery of ET's products to its customers while maximizing its profit?

Studies on evolution of marketing discipline indicate that consumer behavior is changing towards cooperation and co-creation. There are clues that an increasing number of consumers are demanding value creation collaboratively. According to the Manager, however, ET/ETC realizing &/Or attempting to exploit the potential benefit/advantage out of the trend of consumers concern for value creation.

4.2.7.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers' point of view?

According to the Manager the real problems of customer dissatisfaction in ET from the customers' point of view are the less responsiveness of managers and employees, the fiber cut and power failure which brings about service interruptions and the critical problems relating to assurance and empathy.

4.2.8. Indirect Channel manager of EAAZ

4.2.8.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

The Manager stated that "Ethio telecom managers have no practical experience in terms of the growth in importance and awareness of service marketing performance measurement. Hence, no changes come about in this regard."

According to the Manager, as the plan to put in place the service marketing measurement of the company is to be put in place in future, an awareness creation by managers on job coaching, weekly performance review, the nature of customer complaints and how such complaints be processed, etc. have intended to be done.

4.2.8.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on it service marketing performance?

The Manager stated that "no systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on it service marketing performance even though its importance is unquestionable."

According to the Manager , Performance appraisal (review of achievement against targets or expectations), review of procedures (steps followed against designed processes) have been used to monitor and measure performances; and standardized reporting templates are used to report weekly, monthly, semiannual and annual performances.

4.2.8.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The Manager clearly stated that “Ethio telecom conceptually and practically in terms of measuring its service marketing performance is not advanced.”

The process that ET uses are: reviewing the implemented work flow, updating procedures, classifying the nature of data that the working environment generates into quantitative and qualitative type; and accordingly design its measurement tools or techniques.

According to the Manager, to determine what activities to measure, its measurability using well known & advanced measurement techniques-such graph, charts, different statistical tools, etc. are among the processes & tools that ET may use which, however ,are not implemented yet.

The Manager said that, measuring service marketing performance using different advanced techniques and tools down the ladder can be among the major challenges that ET may face. Because, ET undertakes a radical change and change management by itself needs resources and capacity to effectively manage all events that happened in relation to the elements of change. Therefore, establishing the new system and applying new techniques to service marketing performance, are potential challenges to ET.

4.2.8.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The Manager clearly stated that “Ethio telecom uses different performance measurement templates that are based on different statistical parameters. But its practicability is very limited so far because much remains to be applied at the grass root level. So it is to conceptually base on advanced techniques but there should be tailored capacity building trainings in order to fully apply it practically at the middle and grass root levels. In other words, Ethio Telecom is unadvanced conceptually but at a lower level in its practicability due to the depths of the changes it undergoes and ET’s lifetime, since its inception. “

4.2.8.5. How do you see customers’ value creation in the delivery of ET’s products to its customers while maximizing its profit?

In the opinions of the Manager Many remain to be done because ET’s efforts so far is to be limited to installing the overall system, which may be taken as a complete paradigm shift. This effort should be

percolated down to the grass root level (to the ordinary employees) through capacity building. The present status of deliveries-both products and services-are not reached the desired levels. This would mean that customers' value creation is at low level. Hence, it is only after ET is in a position of delivering efficient and effective services that high customer values be attained or created. Maximum profit does not necessarily reflect maximum customers' satisfaction. It may be due to ET's monopoly nature.

4.2.8.6. What Are The Real Problems Of Customer Dissatisfaction In ET Service Delivery From The Customers' Point Of View?

The Manager said that "the real problems of customer dissatisfaction in ET service delivery from the customers' point of view are that of issues relating to Service quality matters."

According to the Manager, the service quality issue is a critical problem that is irritating the customers and hence the root causes of customer dissatisfaction.

4.2.9. Indirect Channel Manager of North Addis Ababa

4.2.9.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how did these changes come about?

The Manager said that "Ethio telecom managers have no experience in terms of the growth in importance and awareness of service marketing performance measurement."

According to the Manager, there is no service marketing performance measurement yet started and it is impossible to talk about the growth in importance and changes brought about in this regard.

The Manager said as the rule to put in place the service marketing performance measurement has a consequence of accountability, increased accountability leads to increased credibility and respect for the discipline and its custodians respectively.

4.2.9.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

The Manager said that “there are no properly developed systems, tools, processes, methods or techniques that Ethio telecom put in to use to monitor measure and report on its service marketing performance. In other words,, service marketing performance measurement is an activity not yet put in to operational , and hence no system ,method, process or tools etc are necessary to put in to action.

4.2.9.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The Manager, stated that “Ethio telecom is not properly defined and put in to action service marketing performance measurement activities and hence the conceptually and practically advancement issue cannot be meaningful.”

4.2.9.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The Manager, stated that “the main Challenge measuring its Service marketing performance is service quality on network and the frequent failure of the same. The human (staff) element is also a big challenge .This is due to lack of motivation because of salary and other benefit issues as most staffs eyes and ears on the ET benefits and salary information browsing. “

The Manager, indicated that it is very difficult to establish clear link between business results and marketing activities. He believes that as marketing now a fully integrated function, it cannot alone credit for business success. He feels that marketing is the least understood of business discipline

4.2.9.5. How do you see customers’ value creation in the delivery of ET’s Service to its customers while maximizing its profit?

The Manager stated that “value creation begins with the company’s final customer and hence, customers’ value creation in this regard is the value an ET receives from its customers be it external or internal and most of the time, Value creation gives a significant connection between the steps of the strategy process.”

It can be said according to the Manager that, customers value creation in ET while the latter is maximizing its profit for delivery its services can be seen and considered as undermined.

4.2.9.6. What are the real problems of customer dissatisfaction in ET service delivery from the customers' point of view?

The Manager stated that:

“Currently, the real problems of and the main causes for customer dissatisfaction in ET service deliveries from the customers' point of view, among other thing are that Lack of quality of services, problems relating to operations and maintenance of network and lack of timely response of employees, fiber cut and network failure. The help desk phone number 994 is not reachable and most of the customer can't communicate to ET and face great dissatisfaction.”

Currently, according to the Manager, lack of quality of services on maintenance of network and lack of timely response of their service need .fiber cut and network failure the main causes for our customer dissatisfaction.

4.2.10 Marketing Research & Intelligence Supervisor of Residential Marketing & Sales Division

4.2.10.1. What do Ethio telecom managers experience in terms of the growth in importance and awareness of service marketing performance measurement, and how do these changes come about?

The Supervisor mentioned d that:

“Despite the presence of the service marketing performance measurement awareness within Ethio telecom management, most of the marketing activities done within ET are unsystematic and most of the decisions are made based on gut instinct, not on market Knowledge (customer need, degree of demand for the product &service which requires a frequent formal or informal market study). I think, because of being a monopoly, there is a prevailing thinking within ET management that the market should come to us (which is a typical monopolistic thinking) than we should go for it. So, with this thinking, I don't

think we can come about the change though there is some awareness about the concept unless and otherwise we open up the market system at least partially (liberalization), which in turn leads to the elimination of the conscious incompetence in implementing the service marketing performance measurement.”

4.2.10.2. What systems, tools, processes, methods or techniques do Ethio telecom use to monitor, measure and report on its service marketing performance?

The supervisor mentioned that “there is no system, tools, processes, methods or techniques do Ethio telecom use to monitor, and measure and report on its service marketing performance”

In the words of the supervisor, the system is unintegrative and only internally focused one which includes both financial and a little bit non-financial output service marketing performance measures. In the case of the non-financial one (marketing processes & activities), the methods & techniques used to determine the service marketing performance is through reports about the tasks performed by the respective work units. Work units prepare “spectacular” reports about the tasks performed and push it to the top, which usually doesn’t look into it & take measures on those work units which show unsatisfactory performance, which makes the already set plan (standard) nominal. Concerning financial performance, it is the financial performance which is given the most important place to measure performance within ET. What also lacks in Ethio telecom is customer satisfaction (non-financial output measures) which is the foremost and basic tool in service marketing performance.

4.2.10.3. How advanced is Ethio telecom conceptually and practically in terms of measuring its service marketing performance?

The supervisor stated that, “Ethio-telecom service marketing performance measurement is practically and conceptually unadvanced. Managers have almost no awareness of the existence and relevance of the service marketing performance measurement “

4.2.10.4. What challenges do Ethio telecom faces in measuring its Service marketing performance?

The supervisor stated that “there are no service marketing performance measurement activity developed and put in to operation and hence seems inappropriate to talk about challenges that Ethio telecom faces in measuring it.

In the words of the supervisor, “there can be two critical challenges in ET’s service marketing performance measurement. The first challenge is the availability of the indispensable technical marketing expertise & the ability of the marketing managers to deliver a coherent organization-wide market orientation. The second one is the deep interference of the government in ET’s activities which would have a negative effect in implementing the service marketing performance measurement.”

4.2.10.5. How do you see customers’ value creation in the delivery of Ethio telecom ET’s Services to its customers while maximizing its profit?

The supervisor stated that “customers’ value creation in the delivery of Ethio telecom’s services to its customers while maximizing its profit is seen as far below than what is expected of a telecom operator providing world class telecom services.”

4.2.10.6. How Service Quality Provision of ET is evaluated from the Customers’ Point Of View

The supervisor stated that:

“The improved customer services are the focal point of the telecom service providers for social and economic reasons. Customer service is a system of activities that Comprises customer support systems, complaint processing, speed of complaint Processing, ease of reporting complaint and friendliness when reporting complaint. Customer satisfaction is established when brand fulfills the needs and desires of Customers.”

In general, the issues relating to customer satisfaction/dissatisfaction in ET service provision presented to all the seven respondents are prepared in the form of questionnaire of SERVQUAL model and distributed to VIP, Residential, Internal as well as Enterprise customers in a comprehensive manner as indicated below under the title “How Service Quality Provision of ET is evaluated from the Customers’ Point Of View”

It is quite clear that the aim of service marketing is to know and understand the customer so well that the service fits him and sells itself. It seems self evident that companies should try to satisfy their customers and Satisfied customers usually return and buy more, they tell other people about their

experiences, and they may well pay a premium for the privilege of doing business with a supplier they trust.

Ethio telecom is trying to systematically identify how to change service delivery processes for the better and satisfaction of customers. It has now found that the customer experience must be effective. Customers' opinions matter. Customers have become more demanding and sense in the way they deal with large organizations like Ethio telecom.

Currently, Customer satisfaction is a rapidly rising and high-ranking corporate priority and top business issue than ever in ET.

Table3- Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Responsiveness					
Employees are attentive	374	1.00	5.00	3.1711	1.34329
Employees are helpful	358	1.00	5.00	3.1732	1.30208
employee is prompt	357	1.00	5.00	3.1709	1.26821
employees understand my need	365	1.00	5.00	3.2630	1.28040
employee is courteous	327	1.00	5.00	3.1590	1.28432
Reliability of Telecom product/service					
call received exactly what I need first and always	357	1.00	5.00	2.7087	1.29574
Call is served error free	364	1.00	5.00	2.6126	1.20191

call is instant and no interruption	342	1.00	5.00	2.5380	1.19260
Tangibles/physical appearance					
telecom infrastructure is easily accessible	359	1.00	5.00	2.7354	1.22573
telecom infrastructure is clean	365	1.00	5.00	2.8356	1.24271
telecom product/service has all the desired product /service	368	1.00	5.00	2.8043	1.26137
Adequate services are available	358	1.00	5.00	3.0726	1.33695
design of the product fixed line, wireless, mobile SIM card sah quality attributes	356	1.00	5.00	2.8202	1.21318
there is full network coverage	362	1.00	5.00	2.3315	1.09926
there is full internet connectivity	358	1.00	5.00	2.3436	1.11865
the product service tariff is cheap	343	1.00	5.00	2.3848	1.23686
Empathy					

the service provision by Ethio telecom is caring and individualized attention is provided	347	1.00	5.00	2.6772	1.16779
corporate customers are given due care because of their volume of transaction with the enterprise	334	1.00	5.00	2.7545	1.25904
Assurance					
employees of the enterprise have adequate knowledge on how to serve their customers	353	1.00	5.00	2.9065	1.27466
satisfaction					
Over all, I am satisfied with Ethio telecoms product/services	342	1.00	5.00	2.6228	1.25647
Considering, any type of service they provide today, the quality is excellent	362	1.00	5.00	2.5470	1.34360

A survey was made on 374 customers of Ethio- telecom enterprise with regard to service quality provision by the enterprise. The customers were randomly selected from individual customers group, enterprise customers and vip customers in the Addis Ababa Zones/Region based on catalogue list of the customers available in the telecoms' directory.

As a result, the following analysis was made based on the response of the customers surveyed from three groups randomly selected.

In table3, item1, respondents were asked with regard to their degree of agreement on the five point Likert scale of responsiveness dimension which is classified in to five items and replied as follows.

Based on a response of (n=374), the mean response rate for the employees are attentive is 3.1711 with standard deviation of 1.34239. This implies that employee's attentiveness to provide customer service in Ethio telecom is to the standard (minimum expectation of customers).

In table3, item2, (n= 358) were also asked for the second item of responsiveness dimension of 'employees are helpful ' and responded with mean of 3.17 and standard deviation of 1.3. as their degree of agreement. This implies that, customer expectation with regard to helpfulness of employees for telecom service is again to their expectation, even though it cannot be rated as excellent.

In table3, item3, (n= 357) were also asked for the third item of responsiveness dimension of 'employees are prompt ' and responded with mean of 3.17 and standard deviation of 1.26. as their degree of agreement. This implies that, customer expectation with regard to employees promptness for telecom service is again to their expectation, even though it cannot be rated as excellent.

In table3, item 4, (n= 365) were also asked for the fourth item of responsiveness dimension of 'employees are helpful ' and responded with mean of **3.26**and standard deviation of 1.28 as their degree of agreement. This implies that, customer expectation with regard to employees understanding customer need for telecom service is again to their expectation, even though it cannot be rated as excellent.

In table3, item5, employees(n= 327) were also asked for the fifth item of responsiveness dimension of 'employees understanding customer need ' and responded with mean of **3.16**and standard deviation of 1.28as their degree of agreement. This implies that, customer expectation with regard employees understanding customer need for telecom service is again to their expectation, even though it cannot be rated as excellent.

In table3, item1, (n= 357) were also asked for the first item of **Reliability of Telecom product/service** dimension of 'call received exactly what I need first and always ' and responded with mean of **2.7**and

standard deviation of 1.29. as their degree of agreement. This implies that, customer expectation with regard to employees helpfulness for telecom service is to below their expectation.

In table3, item2, Call is served error free (n= 364) were also asked for the second item of **Reliability of Telecom product/service** dimension responded with mean of **2.6126**and standard deviation of 1.20. as their degree of agreement. This implies that, customer expectation with regard Call is served error free for telecom service is not to their expectation.

In table3, item3, (n= , 342) were also asked for the third item of **Reliability of Telecom product/service** dimension of 'call is instant and no interruption ' and responded with mean of **2.53**and standard deviation of 1.19. as their degree of agreement. This implies that, customer expectation with regard to call is instant and no interruption for telecom service is not to their expectation.

In table3, item1 , (n= , 359) were also asked for the first item of Tangibles/physical appearance 'telecom infrastructure is easily accessible I ' and responded with mean of **2.73**and standard deviation of 1.23as their degree of disagreement. This implies that, customer expectation with regard to telecom infrastructure is easily accessible for telecom service is again below their expectation.

In table3, item2, (n= 365) were also asked for the second item of Tangibles/physical appearance dimension of 'telecom infrastructure is clean 'and responded with mean of 2.83 and standard deviation of 1.24. as their degree of disagreement. This implies that, customer expectation with regard to telecom infrastructure is clean is again not up to their expectation, although it cannot be rated as very bad.

In table3, item3, /service (n= 368) were also asked for the third item of Tangibles/physical appearance dimension of 'telecom product/service has all the desired product /service ' and responded with mean of **2.80** and standard deviation of 1.26. as their degree of disagreement. This implies that, customer expectation with regard to" telecom product/service has all the desired product /service" is again not up to their expectation.

In table3, item4, (n= 358) were also asked for the fourth item of Tangibles/physical appearance dimension of 'Adequate services are available 'and responded with mean of **3.07** and standard deviation of 1.33. as their degree of agreement. This implies that, customer expectation with regard to Adequate services are available is again to their expectation, even though it cannot be rated as excellent.

In table3, item5, (n= 356) were also asked for the second item of Tangibles/physical appearance dimension of 'employees are helpful ' and responded with mean of 2.82 and standard deviation of 1.21. as their degree of disagreement. This implies that, customer expectation with regard to design of the product is not up to their expectation, even though it cannot be rated as very bad.

In table3, item6, (n= 362) were also asked for the second item of Tangibles/physical appearance dimension of 'there is full network coverage ' and responded with mean of 2.33and standard deviation of 1.09as their degree of agreement. This implies that, customer expectation with regard to "full network coverage" is below their expectation.

In table3, item7, (n= 358) were also asked for the seventh item of Tangibles/physical appearance dimension of 'full internet connectivity ' and responded with mean of 2.34and standard deviation of 1.11. as their degree of disagreement. This implies that, customer expectation with regard to full internet connectivity is again below their expectation.

In table3, item8, (n= 358) were also asked for the eight item of Tangibles/physical appearance dimension of 'the product service tariff is cheap 'and responded with mean of 2.38 and standard deviation of 1.23. as their degree of disagreement. This implies that, customer expectation with regard cheapness of product service is again below their expectation.

In table3, item1, (n= 347) were also asked for the first item of Empathy dimension of 'the service provision by Ethio telecom is caring and individualized attention is provided 'and responded with mean of 2.67 and standard deviation of 1.16. as their degree of disagreement. This implies that, customer expectation with regard to ,” the service provision by Ethio telecom is provision of caring and individualized attention “ is below their expectation and hence bad.

In table3, item2 (n= 334) were also asked for the first item of Empathy dimension of 'corporate customers are given due care because of their volume of transaction with the enterprise 'and responded with mean of 2.75 and standard deviation of 1.25. as their degree of disagreement. This implies that, customer expectation with regard to, the service provision by Ethio telecom is provision of caring and individualized attention “ is below their expectation and hence bad.

In table3, item1, (n= 353) were also asked for the first item of assurance dimension of 'employees of the enterprise have adequate knowledge on how to serve their customer ' and responded with mean of

2.90 and standard deviation of 1.27 as their degree of agreement. This implies that, customer expectation with regard to employees of the enterprise have adequate knowledge on how to serve their customer is below their expectation, even though it cannot be rated as very bad.

In table3, item1, (n= 342) were also asked for the first item of r satisfaction dimension of 'satisfaction with Ethio telecoms product/services 'and responded with mean of 2.62 and standard deviation of 1.25. as their degree of disagreement. This implies that, customer expectation with regard to satisfaction with Ethio telecoms product/services is again below their expectation, and hence can be rated as bad.

In table3, item2, (n= 362) were also asked for the first item of satisfaction dimension of 'Considering, any type of service they provide today, the quality is excellent 'and responded with mean of 2.54 and standard deviation of 1.34. as their degree of disagreement. This implies that, customer expectation with regard to Considering, any type of service they provide today, the quality is excellent is again below their expectation, and hence it can be rated as bad.

The descriptive statistics analysis of can be summarized in the table 6 as mean of mean.

Table 4. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
satisfaction	65	1.00	5.00	2.8308	1.29385
Assurance	78	1.00	5.00	3.0641	1.26224
Empathy	89	1.00	5.00	2.7191	1.35671
Tangibles	379	1.00	5.00	2.6706	.84218
Reliability of Telecom product	376	1.00	5.00	2.6281	1.02823
Responsiveness	199	1.00	5.00	3.3266	1.34045
Valid N (listwise)	25				

As per the table 4, satisfaction of the respondent is found to be mean of 2.8 and standard deviation of 1.3. This implies that, as the minimum expectation of customer satisfaction has to be the mean score of 3, the survey result falls short of customer expectation. Therefore, it is safe to conclude that customers of Ethio telecom are dissatisfied with telecom service provision.

As portrayed in table4 above, over the Assurance of the service of ET in the eye of the respondents is found to be mean of 3.06 and standard deviation of 1.3. This indicates that as the minimum expectation of assurance has to be the mean score of 3, the survey result indicates that the minimum condition is satisfied. Therefore it is safe to conclude that minimum requirement for agreement in the assurance dimension of Ethio telecom's competence to supply the service is met.

As can be observed in the above table, Empathy dimension of the respondent is found to be mean of 2.7 and standard deviation of .84 Which indicates that as the minimum expectation of, Empathy has to be the mean score of 3, the survey result falls short of Empathy. ET does not understand and be concerned and provide individual attention for individual customer needs and wants in empathy dimension.

As shown in the table, over the Tangibles the respondent is found to be mean of 2.7 and standard deviation of 1.3. This implies that, as the minimum expectation of Tangibles has to be the mean score of 3, the survey result falls short of Tangibles. Therefore, it is safe to conclude that customers of Ethio telecom are dissatisfied with Tangibles dimension of telecom service.

As indicated in the above table, the reliability of Telecom product/service is found to be mean of 2.6 and standard deviation of 1.0 This implies that, as the minimum expectation of reliability of Telecom product/service has to be the mean score of 3, the survey result falls reliability of Telecom product/service. Therefore, it is safe to conclude that customers of Ethio telecom are dissatisfied with reliability of Telecom product/service.

As portrayed, in table 4 above, the Responsiveness, is found to be mean of 3.3 and standard deviation of 1.34. This implies that, as the minimum expectation of Responsiveness has to be the mean score of 3, the survey result of Responsiveness is good. Therefore it is safe to conclude that minimum requirement for agreement of the customers is fulfilled in the Responsiveness dimension of ET's service provision.

Table 5 - Correlation

		Tangibles	Assurance	empathy	RESPONSIVENESS	SATISFACTION	Reliability of Telecom product
Tangibles	Pearson Correlation	1	.737**	.619**	.420**	.665**	.556**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	379	78	365	378	371	376
Assurance	Pearson Correlation	.737**	1	.570**	.534**	.657**	.614**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	78	78	76	77	76	77
empathy	Pearson Correlation	.619**	.570**	1	.518**	.572**	.388**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	365	76	365	364	361	363
RESPONSIVENESS	Pearson Correlation	.420**	.534**	.518**	1	.497**	.423**

	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	378	77	364	379	370	375
SATISFACTI ON	Pearson Correlat ion	.665**	.657**	.572**	.497**	1	.496**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	371	76	361	370	371	369
Reliability of Telecom product	Pearson Correlat ion	.556**	.614**	.388**	.423**	.496**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	376	77	363	375	369	376

** . Correlation is significant at the 0.01 level (2-tailed).

#=Sat=Satisfaction, Tang=Tangibles; resp=responsiveness;; Assu=Assurance; Emp=empathy; and Rel=Reliability.. The correlation results presented in table 7 show that all of the independent variables are significantly related to the dependent variable in the expected direction. The relationship between satisfaction and tangibles; empathy, assurance, responsiveness and reliability is hypothesized to be positive and the results support this hypothesis; tangibles ($r=.665$, $p<0.01$); assurance($r=.657$, $p<0.01$); emp($.572$, $p<0.01$);responsiveness($r=.497$, $p<0.01$); and rel($r=.496$, $p<0.01$)) . According to this correlation analysis, all hypotheses have got support that all independent variables are positively related to the dependent variable. And the relationships are significant as indicated in the table. However, the fact that there is significant positive relationship between dependent and independent variables does not

indicate or measure the cause effect relationship. Hence, beyond correlation analysis, regression analysis is conducted to measure the cause effect relationship.

Results of Regression analysis

The regression analysis is carried out to see whether the independent variables (tangibles, empathy, assurance, responsiveness and reliability) are significant enough to explain the dependent variable (Customer satisfaction). Furthermore, whether there is linear relationship between the two groups of data.

Tale6-Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.837 ^a	.700	.678	.72418	.700	30.836	5	66	.000

a. Predictors: (Constant), Reliability of Telecom product, empathy, RESPONSIVENESS, Assurance, Tangibles

Coefficients

The overall correlation between the independent variables (tangibles, empathy, assurance, responsiveness and reliability) and the dependent variable (Customer satisfaction) is .837; the R-square coefficient indicates that 67.8 per cent of the variability in the customer satisfaction is explained by the independent variables (tangibles, empathy, assurance, responsiveness and reliability). This justifies that the model is accepted for this investigation. This analysis also justified by ANOVA test.

Table-7ANOVA b.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	80.856	5	16.171	30.836	.000 ^a
	Residual	34.613	66	.524		
	Total	115.469	71			

a. Predictors: (Constant), Reliability of Telecom product, empathy, RESPONSIVENESS, Assurance, Tangibles

b. Dependent Variable: SATISFACTION

This Analysis of Variance (ANOVA) test justifies the model is fit for the study under consideration, F=30.836 with significance level of, P<0.0001. Based on these two analyses, the regression model is tested to be fit for this study

Table-8 Regression Coefficients (a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance
1	(Constant)				-					
	empathy	-.688	.329		2.089	.041				
		.117	.111	.109	1.052	.297	.654	.128	.071	.420

RESPONSIVENE SS	.144	.126	.106	1.14 5	.257	.610	.140	.077	.528
Assurance	.223	.107	.209	2.08 9	.041	.696	.249	.141	.453
Tangibles	.449	.210	.344	2.14 1	.036	.806	.255	.144	.176
Reliability of Telecom product	.235	.129	.200	1.81 7	.074	.706	.218	.122	.375

a. Dependent Variable: SATISFACTION

The regression analysis also supports the correlation analysis, indicating that the three independent variables have explained the dependent variable. We can see that, tangibles (P=.035), assurance(P=.041) responsiveness (P=.257), empathy(p=.297) and reliability(p=.074) .Assurance and tangibles are significantly explaining the customer satisfaction at significance level of 0.05, but responsiveness, ,empathy and reliability fail to support the hypothesis for customer satisfaction explanation.

Therefore these five variables (tangibles, empathy, assurance, responsiveness and reliability) are the most significant variables that have explained the customer satisfaction. Hence the customer satisfaction model extracted for these statistical analyses can be summarized as follows:

Customer satisfaction=-.688 +.117empathy+.144 responsiveness+.223 assurance+.449 tangibles+.235 reliability

Finally, the standardized coefficient is the largest for tangibles (.449), second large for reliability (.235); third for assurance (.223); fourth for responsiveness (.144) and finally small for empathy (.117). these indicate that tangibles is the one that most explains customer satisfaction, followed by reliability, followed by assurance, followed by responsiveness and finally empathy.

CHAPTER 5: DISCUSSION- DATA PRESENTATION, ANALYSIS AND INTERPRETATION

In this chapter, the outcome of this study is fully discussed, relative to the research problems presented in this study with cross-references to other relevant studies as covered in the literature review part, and potential implications of the research results are to be elaborated.

5.1. The growth in importance and awareness of Service marketing performance measurement ET Managers.

What does ET experience in terms of the growth in importance and awareness of marketing performance measurement, and how did these changes have come about?

Munoz (2005) reveals that one of the most important issues currently concerning business is how to measure marketing return on investment. As to the issue of why is it so important and what has led to the increase in this importance is concerned, Ambler (2003) suggests that this is driven in part by the current economic climate, but also as a result of increasing board intolerance for the lack of return on investment discipline that habitually characterizes marketing expenditure. Ambler & Kokkinaki (1997) suggest that there is increasing pressure on senior marketing managers to deal explicitly with the age-old issue of measuring the impact and value of marketing.

Ambler & Wang (2002) suggest that as marketers become more accountable, it will benefit the credibility of the discipline as a whole, and bolster their respect in the boardroom. Other research by Ambler et al. (2004) suggests that five theories may explain why marketing measurement has raised so much awareness recently. These were discussed in sections 2.6(i-vi) in detail.

The research conducted for this study shows less conformity to these suggestions. Few of the respondents interviewed, has raised accountability as a concern. Only one respondent suggested however that increased accountability leads to increased credibility and respect for the discipline and its custodians respectively. Only two respondents credited increased education as the factor which led to increased awareness for marketing performance measurement.

Ultimately, this study has shown that insofar as awareness and importance of marketing performance measurement is concerned, there is an unequivocal amplification, which can be attributed to

management pressure for accountability: increased education; and to a lesser extent, a desire to enhance the credibility of the marketing discipline and its administrators. As such there less link between respondents account for growth in importance and awareness and those theories described in section 2.6(i-vi)

5.2. Measurement Systems, Tools, Processes, Methods or Techniques Applicable In ET

Barwise & Farley (2004) suggest that one method of addressing senior managements' problem of undisciplined accountability is to adopt marketing metrics, which Ambler (2003) defines as "internal and external measurements related to marketing and market position which are believed to be linked to short and long term financial performance."

Measuring marketing performance is a complex and costly matter. At minimum, it requires substantial firm and market data. From the research conducted for this study, it is generally evident that marketing metrics have not been explored in ET. ET managers are not understood, select and utilize measurement tools (metrics), yet. However, ET does not totally neglects to measure marketing activity at all, because somehow and in some cases it measures so co-incidentally.

5.3. Advancement of Service Marketing Performance Measurement of ET

An Eye catching point in this research problem it is to assess the growth and progress of marketing performance measurement and further rates ET marketing assessment systems. In the understandings of Ambler (2003) most companies develop their thinking about overall marketing assessment, and specifically the marketing asset, in five stages already discussed earlier.

In the opinion of Clark & Ambler (2001) early perceptions of marketing performance measurement centre around financial output measures. A variety of non-financial measures were considered With the evolvement of measures, , to address the problem associated with financial-only financial measures are snapshots in time and too concerned with the past instead of the future.

This research showed no particular trend in the level of conceptual advancement of marketing measurement performance. There was also no considerable level of awareness of marketing

performance measurement system . Rembering the problems highlighted earlier, in this study, almost all respondents have reflected their awareness level being very poor and un advanced.

5.4. Service Marketing Performance Measurement Challenges in ET

Business process definition, date and tools to analyze the results Marketers as well as the establishment of, or access to a central data repository containing relevant customer and marketing data are the biggest challenge in building a marketing performance measurement system in a firm (CMO council ,2004)).

This research showed that no particular trend existed amongst ET marketing managers. All respondents mentioned that as far as there is no service marketing performance measurement in ET, challenges/ barriers cannot be talked about.

Hence , no respondents cited a challenge similar to those finding by the CMO council (2004) research as marketing performance measurement is still at such a stage of nil /infancy in ET, that managers have not yet really reach an implementation stage, where such challenges would exist.

5.5. Customers' Value Creation in ET Service delivery While Maximizing Profit.

According to Aksin karaesmen(2002,p.1 Any value creation strategy requires an understanding of the relationship between customer needs and service offerings, and how this generate value .

The value creation process consists of three key elements: determining what value the company can provide to its customers (the Õvalue customer receivesÕ); determining the value the organisation receives from its customers (the Õvalue organisation receivesÕ); and, by successfully managing this value exchange, maximising the lifetime value of desirable customer segments.

According to karaesmen , the emphasis in many companies is on this second element of value. To these Companies, customer value means: How much money can we extract from the customer? How can we sell them more of the existing products and services they are buying? And how can we cross-sell them new products and services?

The value the supplier organization receives from the customer has the greatest association with the term 'customer value'. Customer value from this perspective is the *outcome* of providing and delivering superior value to the customer; deploying improved acquisition and retention strategies; and utilizing effective channel management.

This study shows the practice in ET is not in accordance with the theories because there is no established rule put in place by ET to measure its marketing performance and as to how much money ET can extract from customers etc.. can't be measured in the company. And also, there is no tool put in place by ET to measure the level its QoS.

5.6. Evaluation of Service Quality Provisions of ET from Customers' Point Of View

Service quality can be described as a rationale of differences between expectation and competence along the important quality dimensions. Service quality perceived by customers is therefore as a result of a comparison of customers' expectation of services that the organization should offer versus their perception of the performance delivered by the service organization.

Kotler (2003: 61) explains that the quality should start from the needs of customers and ends at the customer's perception. This means that good quality perception is not based services provider, but based on the point of view or perception of the customer.

This study indicated that the service that ET is providing to its customers is not in accordance with the needs and wants of the customer and that Quality of service problem is too chronic and quite a public knowledge increasingly becoming a serious issue Is currently becoming a priority for Ethio telecom.

CHAPTER 6: SUMMARY FINDINGS, CONCLUSION AND RECOMMENDATIONS

This chapter is intended to close the research with major Summary Findings a general concluding remark, with important recommendations.

6.1. Major Summary Findings:

The major findings of the research can be summarized as follows:

1. This study has shown that insofar as awareness and importance of marketing performance measurement is concerned, there is an unequivocal amplification, which can be attributed to management pressure for accountability: increased education; and to a lesser extent, a desire to enhance the credibility of the marketing discipline and its administrators. As such there less link between respondents account for growth in importance and awareness and those theories described
2. From the research conducted for this study, it is generally evident that marketing metrics have not been explored in ET. ET managers are not understood, select and utilize measurement tools (metrics), yet. However, ET does not totally neglects to measure marketing activity at all, because somehow and in some cases it measures so co-incidentally.
3. This research showed no particular trend in the level of conceptual advancement of marketing measurement performance. There was also no considerable level of awareness of marketing performance measurement system. Taking in to account the problems highlighted earlier, in this study, almost all respondents have reflected their awareness level being very poor and unadvanced.
4. This research showed that no particular trend existed amongst ET managers. All respondents mentioned that as far as there is no service marketing performance measurement in ET, and hence the challenges/ barriers could be lack of commitment by the senior management.
5. This study shows the practice in ET is not in accordance with the theories because there is no established rule put in place by ET to measure its marketing performance and as to how much money ET can extract from customers etc.. can't be measured in the company. And also, there is no tool put in place by ET to measure the level its QoS .

6. The study indicated that in the areas of satisfaction assurance, empathy and responsiveness service Quality dimensions, below customer expectation and dissatisfaction prevail with.
7. The research revealed that assurance and responsiveness of SERQUAL dimensions in the eye of the respondents are found to be mean of 3.06 with a standard deviation of 1.3; and a mean of 3.306 with a standard deviation of 1.34 respectively. This indicates that as the minimum expectation of assurance and responsiveness dimension are to be the mean score of 3 each, the minimum condition for agreement category is satisfied. Whereas Satisfaction, Empathy, Tangibility & Reliability dimensions of mean 2.8 with a standard deviation of 1.3, Empathy of mean 2.7 with a standard deviation of .84, Tangibility of mean 2.7 with a standard deviation of 1.3, and reliability of mean 2.6 with a standard deviation of 1.0 respectively. These indicate that as the minimum expectation for each of these dimensions are all below the mean score of 3, falling short of customer expectation, that customers of ET in these regard belong to the disagreement category.
8. The correlation results that all of the independent variables are significantly related to the dependent variable in the expected direction. The relationship between satisfaction and tangibles; empathy, assurance, responsiveness and reliability is hypothesized to be positive and the results support this hypothesis; Tangibles ($r=.665$, $p<0.01$); Assurance ($r=.657$, $p<0.01$); Empathy ($r=.572$, $p<0.01$); Responsiveness ($r=.497$, $p<0.01$); and Reliability ($r=.496$, $p<0.01$). According to this correlation analysis, all hypotheses have got support that all independent variables are positively related to the dependent variable indicating significance of the relationships.
9. The overall correlation between the independent variables (tangibles, empathy, assurance, responsiveness and reliability) and the dependent variable (Customer satisfaction) is .837; the R-square coefficient indicates that 67.8 per cent of the variability in the customer satisfaction is explained by the independent variables (tangibles, empathy, assurance, responsiveness and reliability). This justifies that the model is accepted for this investigation. This analysis also justified by ANOVA test.
10. Furthermore the regression analysis supports the correlation analysis, indicating that the three independent variables have explained the dependent variable. It can be observed that, tangibles ($P=.035$), assurance ($P=.041$) responsiveness ($P=.257$), empathy ($p=.297$) and reliability ($p=.074$). Assurance and tangibles are significantly explaining the customer

satisfaction at significance level of 0.05, but responsiveness, empathy and reliability fail to support the hypothesis for customer satisfaction explanation. These five variables (tangibles, empathy, assurance, responsiveness and reliability) are the most significant variables that have explained the customer satisfaction. (the customer satisfaction model extracted can be summarized as $\text{Customer satisfaction} = -.688 + .117\text{empathy} + .144 \text{ responsiveness} + .223 \text{ assurance} + .449 \text{ tangibles} + .235 \text{ reliability}$)

11. The standardized coefficient is the largest for tangibles (.449), second large for reliability (.235); third for assurance (.223); fourth for responsiveness (.144) and finally small for empathy (.117). these indicate that tangibles is the one that most explains customer satisfaction, followed by reliability, then by assurance, followed by responsiveness and finally by empathy.

6.2. Conclusion:

Nowadays, measuring service marketing performance has been a central issue in marketing and remains a vital concern for a large majority of organizations. The measurement of marketing performance has the capacity to make a fundamental contribution to long-term organizational success. A marketing performance measurement framework can be a useful tool for developing those measures and metrics most relevant to an organization's strategic growth goals.

ET provides national and international telecommunications services, using communication media of satellite, optical fiber, microwave, multiple access radius, very small aperture, ultra high frequency and very high frequency.

The activities and development of service marketing performance measurement in ET is almost nil or at a very infancy stage, aware level is low except few respondents from senior management demonstrated appreciation for marketing measurement at least at theoretical level, and exhibited a large degree of confidence in their ability to apply it and to overcome the challenges in the future. However, other respondents were far off, demonstrating a fragile understanding and appreciation for the idea.

Subject matters investigated in this study include the extent of marketing performance measurement, process, tools, challenges and techniques of measurement, adoption factors driving interest in marketing performance measurement, and quality of service provisions of the company.

This study clearly indicated that ET management is poorly aware or insufficiently familiar with measuring marketing performance and hence can be safely concluded that *today* service marketing performance measurement issue *is the primary weakest side of* ET management. Of course, measuring marketing performance is a difficult and time consuming activity, but to succeed at any rate, requires top executive management support, appreciation and deep understanding.

From service quality provision point of view, the minimum expectation is satisfied on assurance and responsiveness dimensions. Where as the minimum required in the satisfaction, reliability of Telecom product/service, Tangibles (Physical appearance and Design) and Empathy dimensions are below customer's expectation indicating the non-conformability of customers with ET service quality provision.

6.3. Recommendations:

Measuring service marketing performance is an increasingly becoming the most critical marketing activities which today's telecom environment / telecom service providers strongly favors for its adoption and that ET as a potential world class telecom operator has to own .In this sense therefore, it is recommended that measuring service marketing performance should be allowed to flourish and implemented in ET.

Service Marketing performance Measurement metrics enable service providers to justify budgets based on returns and to drive their organizational growth and innovation. As a result, ET as a service provider is expected to use these metrics to measure its marketing performance in the way it can prove value and demonstrate its contribution to organization. In order to achieve a quantifiable gain in return on service marketing investment and increased marketing efficiency, while keeping quality and rising the value of the company , the responsibility for ET to have an established systems ,tools ,process and techniques for measurement of service marketing performance , without delay , is quite important.

The Service Quality attributes discussed in this paper consist of basic components that are based on SERVQUAL model. It is found out that SERVQUAL instruments are the best measure of service quality perceptions in the telecom industry. In this sense, ET must assess not only the sales volume of service but also give due attention to the quality of services, rendered to the customers using SERVQUAL as the fundamental measurement tool.

This study suggests that as SERVQUAL is a suitable instrument for measuring the telecom service quality in the Ethiopian context, and that ET managers can use this instrument to assess the telecom service quality in Ethiopia, to make its customers to enjoy the highest quality of telecommunications services. The satisfaction, reliability of Telecom product/service, Tangibles (Physical appearance and Design) and Empathy are important dimensions that need managerial attention to urgently bring up to the level of customer expectation

Therefore, ET as a service firms must rethink how it can do business as customers move from the periphery to center stage, old ways of doing business no longer work. It should be wise to measure customer satisfaction regularly so as to appropriately respond to the needs and demands of the customer at the right time.

This research helped to establish the fact that measuring marketing performance is still nil/ or in its infancy in ET, and strongly recommend that much work must have to be done to raise corporate wide (staffs-both managers and employees) awareness level about it.

In view of the above, the board of management, Executive management , the marketing and sales divisions and senior professionals,etc are required to assign due weight to service marketing performance measurement and Quality of service and introduces radical changes in their existing practices for meeting the telecom needs of the country. In this regard For ET, It is quite imperative to Identify and develop company's service marketing performance measurement metrics so as to measure its service marketing performances. In other words, just like any other world class telecom operator, ET should also better to make every effort for measuring marketing performance and its service quality. For it has to review its existing business plans and strategies in the way it appropriate metrics and apply company wide marketing performance measurement.

*****////////////////*****

Appendices

Annex I. Interview Questions:

1. *What do Ethio telecom managers experience in terms of the growth in Importance and awareness of service marketing performance measurement, and how did these changes come about?*
2. *What systems, tools, processes, methods or techniques does Ethio telecom use to monitor, measure and report on its service marketing performance?*
3. *How advanced is Ethio telecom conceptually and practically in terms of measuring service marketing performance?*
4. *What challenges do Ethio telecom faces in measuring its Service marketing performance?*
5. *How do you see customers' value creation in the delivery of ET's services to its customers while maximizing its profit?*
6. *How can Service Quality Provision of ET be evaluated from Customers' Point Of View?*

Annex II. Questionnaire for Customers (Service Quality Dimensions)

- Strongly disagree =1
- Disagree =2
- Neutral =3
- Agree =4
- Strongly agree =5

Sr. No.	Dimensions	No. Respondents who Responded					Total
		Strongly disagree	Disagree	Neutral/Intermediate	Agree	Strongly agree	
1	Responsiveness:						
a.	Employees are attentive						
	Employees are helpful						
	Employee is prompt						
	Employees understand my need						
	Employee is courteous						
2	Reliability of Telecom product/service						
	Call received exactly what I need first and always						
	call is served error free						
	Call is instant and no interruption						
3	Physical appearance and Design						
	Telecom infrastructure is easily accessible						
	Telecom infrastructure is clean						
	Telecom product/service has all the						

	desired products services						
	Adequate services are available(like pre paid cards)						
	Design of the product(fixed line, wireless, mobile sim card), has quality attributes						
	There is full network coverage						
	There is full internet connectivity						
	The product/service tariff is cheap						
4	Empathy						
	The service provision by Ethio telecom is caring and individualized attention is provided						
	Corporate customers are given due care because of their volume of transaction with the enterprise						
5	Assurance						
	Employees of the enterprise have adequate knowledge on how to serve their customers						
6	Satisfaction						
	Over all, I am satisfied with Ethio telecoms product/services						
	Considering, the type of service they provide today, the quality is excellent						

Annex III. Ethio telecom Company Profile

Company Mission and Values

As a continuation of the last five-year plan and after concentrating its efforts on education, health and agriculture, the Ethiopian government has decided to focus on the improvement of telecommunication services, considering them as a key lever in the development of Ethiopia.

Ethio telecom is born from this ambition of supporting the steady growth of our country. We wish to implement state-of-the-art processes, to develop reliable network infrastructures and to provide the best quality of services to our Customers. This is our mission; this is what drives all our actions.

To ensure that ethio telecom runs parallel with top telecom operators, the Ethiopian government has reached an agreement with France Telecom, one of the world's leader telecommunication companies. This agreement will help ethio telecom to improve its management capability through the transfer of world-renowned know-hows and skills.

While meeting international standards, we remain faithful to our values:

- We commit to understand, meet and exceed the telecommunications needs and expectations our country at large and of customers in particular
- We respect our customers and recognize that their revenues allow ethio telecom to operate
- We recognize that the company employees are the most valuable asset and want to create an efficient corporate management environment that allows them to develop and grow
- We will commit to high-level job performance, customer service quality, organizational excellence and continuous improvement in all areas
- We will stay motivated and encouraged to meet all the challenges that we will face
- We will make every effort to achieve a superior financial return
- We uphold ethical standards, being honest in all assignments
- We will hold ourselves accountable to all our stakeholders

Company Objectives

In line with its ambitious mission, Ethio Telecom has ambitious goals:

- Being a customer centric company
- Offering the best quality of services
- Meeting world-class standards
- Building a financially sound company

To reach these goals, all our divisions will focus on:

- Developing and enhancing network and information system
- Ensuring easy access and coverage to the whole population
- Creating a strong brand
- Developing human resources management
- Implementing control standard processes
- Improving financial, sourcing and facilities processes

Company Strategy

Ethio telecom will achieve its goal of both providing a reliable network and of improving Customer Services through a range of different levers that are part of its development strategy.

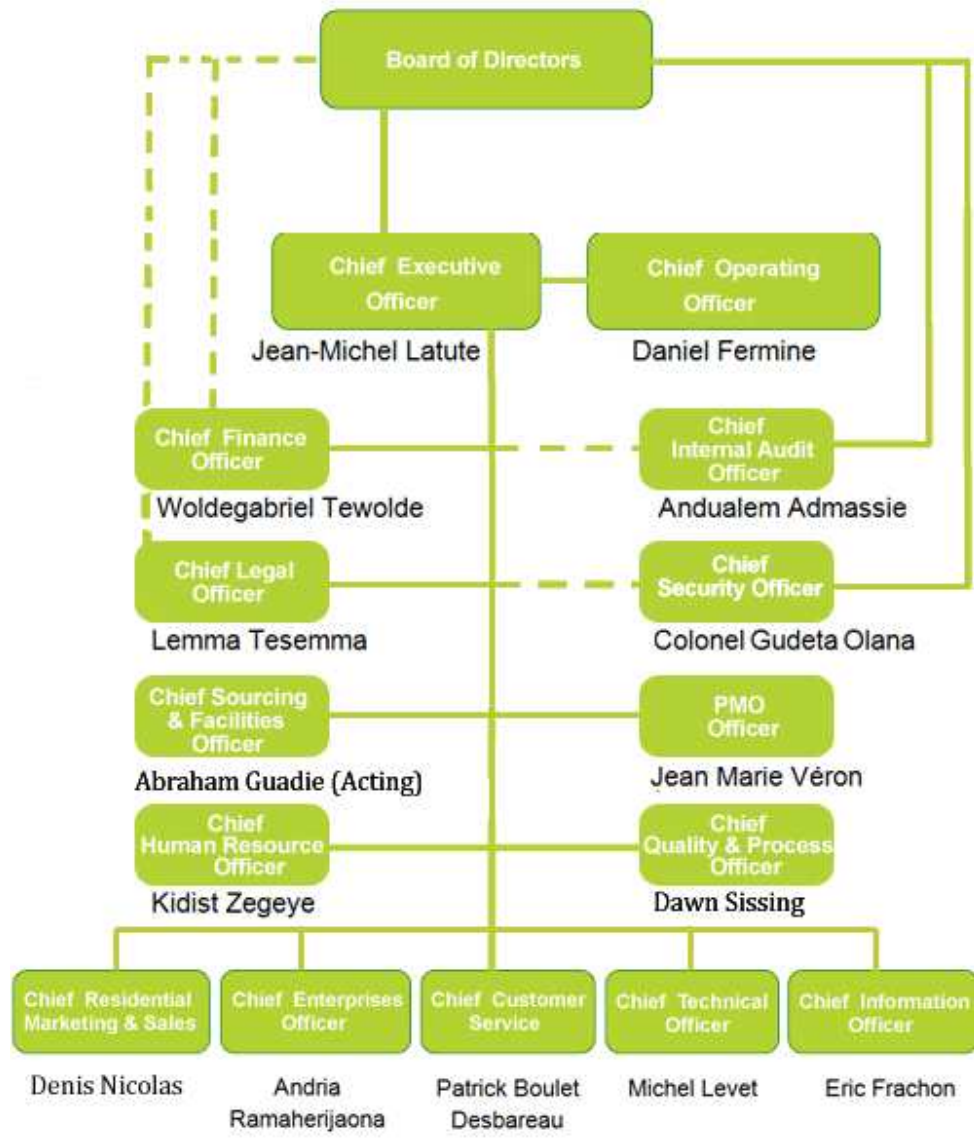
Ethio telecom will develop and enhance the information system. This will help to decrease the delay for provision, sales and activation as well as to provide more reliable information to Customers.

Ethio telecom will develop a world-class human resources management. This will help to improve employees' ability to meet the needs and expectations of Customers.

Ethio telecom will implement control standard processes. This will help to increase reactivity and to faster Customer access to services.

Ethio Telecom will develop better sourcing & facilities processes. This will help to faster delivery and repair and will offer more transparency to Customers.

Company Management Chart



Annex IV - Company Brand



Bibliography

- Aaker AD. (1991, P.3) *Strategic Marketing Management*, 11th edition, New York, Free Press.
- Ambler T. (2003, P.270-275): *Marketing and the Bottom Line*, 2nd edition. New York, FT Prentice Hall.
- Ambler T & Wang X.9 (2002, P 267-281): *Measures Of Marketing Success; A Comparison Between China And The United Kingdom*. Asia Pacific Journal of Management.
- Ambler T & Riley D. (2000, P.65) *Marketing metrics: A Review of Performance Measures In UK And Spain*. London Business School Working paper.
- Ambler & Kokkinaki F. (1997) *Measures of Marketing Success*. Journal of Marketing Management, 13:665-678
- Ambler T, Kokkinaki F, Puntoni S. (2004, P. 475-498): *Assessing Marketing Performance: Reasons for Metrics Selection*. Journal of Marketing Management.
- António Pimenta da Gama, (2011) *A Renewed Approach To Services Marketing Effectiveness*, Measuring Business Excellence, Vol. 15
- Barwise & Farley (2004, P.257-262) *Marketing Metrics: Status Of Six Metrics In Five Countries*. European Management Journal, 22(3):
- Berry, L.and Parasuraman, A. (1992, P.79), —*Prescriptions For A Service Quality Revolution In American Organizational Dynamics*, Vol. 20, No. 4, pp.5-15.
- Bitner(1990) *Evaluating Service Encounters: The Effects of Physical surrounding and Employee Response*, Journal of Marketing Vol.4
- Bonoma, T.V. & Clark, B.H. (1988, p.1) *Marketing performance assessment*. Harvard Business School Press, Boston.
- Clark & Ambler (2001, pp.231-244) *Marketing Performance Measurement: Evolution of Research and Practice*. International journal of business performance management.
- Cooper, D. R., & Schindler, P. S. (2002, p.101). *Business research methods* (8th ed.). Boston: Irwin.

- Clark BH. (1999 ,P. 711-732): *Marketing Performance Measures: History And Interrelationships*. Journal Of Marketing Management.
- Clark BH. (2006). *The Marketing Curriculum and Educational Aims: Towards a Professional Education , Marketing Intelligence and Planning*, Vol. 24, No. 3, pp 189-201
- Cook, T. D. and D. T. Campbell (1979). *Quasi Experimentation: Design and Analytical Issues for Field Settings*. Chicago, Rand McNally.
- Dekimpe and Hanssens (1995,pp. 1-21) *The persistence of marketing Impacts on sales*. *Marketing Science*.
- Day and Wensley (1988) *Assessing Advantage: A Framework For Diagnosis for Diagnosing competitive superiority* , Journal of Marketing ,Vol.52 No.2
- Duggirala M, et al. (2008). *Patient Perceived Dimensions Of Total Quality Service In Healthcare*. An Int. J., 15(5).
- Eisenhardt (1988) *Politics of decision making in high velocity environments: Towards a midrange theory*. Academy of Management Journal, 31(4): 737-770.
- Farris, Bendle, Pfeifer & Reibstein, (2006:1) *Marketing Metrics: 50+ Metrics Every Executive Should Master* .
- Fujun L, Hutchinson J, Li D, Bai C (2007). *An Empirical Assessment And Application of SERVQUAL In Mainland China's mobilecommunications Industry*. Int. J. Qual. Reliab. Manage., 24(3): 244-262.
- Hair, J.; Black, W.; Babin, B.; Anderson, R.; and Tatham, R. (2007 p.8) *Multivariate Data Analysis*. 6th ed. New Jersey: Pearson Education, Inc.
- ITPMG (2003, p.1) *The Beginnings Of Organizational Measurement*. Bethel: ITPMG
- Jensen and Meckling (1976) *Theory of the Firm : Managerial Behavior , Agency Costs and Ownership Structure* *Theory of the Firm : Managerial Behavior , Agency Costs and Ownership Structure*
- Jaworski (1988, p. 24) *Toward a theory of marketing control: environmental context, control types, and consequences* .The Journal of Marketing, 1988 – JSTOR

- Karaesmen A.(2002,p.1) *Value Creation In Service Delivery:Relating Market Segmentation , Incentive And Operational Performance. The working Paper Series.*
- Kennerley & Neely (2003, p.37) *Measuring Performance In A Changing Business Environment.* International Journal of Operations & production Management, 23(92):213-229
- Kotler and Armstrong (2001,p) *Principles of Marketing* (9thed.) Upper Saddle River,NJ,:Prentice Hall
- Kotler (2003,P.82) *Marketing Management*, 11th edn,Prentice-Hall International Editions, Englewood Cliffs, NJ.
- Kumar, M., Kee, F. T. and Manshor, A. T. (2009, p.52,211-228) :*Determining The Relative Importance Of Critical Factors In Delivering Service Quality Of Banks: An Application Of Dominance Analysis In SERVQUAL Model. Managing Service Quality.*
- Malhotra (2010) , *“Marketing Research- An Applied Orientation”*, 6th Edition, Pearson Education.
- M.Ahuja,S. Mahlawat,R. Z. Masood(2011,p. 2).Study Of Service Quality Management With SERVQUAL Model: An Empirical Study Of Govt/Ngo’s Eye Hospitals In Haryana. *Indian Journal of Commerce & Management Studies*.2011, 2(2)] [18],
- Mangnale V. S,(2010, p. 32-275) : *An Assessment Of Ethiopian Telecom Customer Satisfaction : The Global Journal of Management and Business - Articles Vol 10, No 4 (2010)*
- John W. Meyer, Brian Rowan (1977) *Institutionalized Organizations: Formal Structure As Myth And Ceremony. The American Journal of Sociology (RSS)*
- Murphy, Trailer and Hill (1996) *Measuring Research Performance In Entrepreneurship.* Journal of Business Research, 36, pp.15-23.
- Meyer & Rowan, (1977), *Institutional organizations: formal structure as myth and ceremony*, American Journal of Sociology.
- Nunnally,J.C.,& Bernstein, I.H.(1994] . *Psychometric Theory* (3rded.) New york: McGraw-Hill.
- Neely A. (2004, pp.1017-1023) *The Challenges of Performance Measurement. Management Decision*, 42(8): 1017-1023.

Oliver, R.L. (1981) *Measurement and Evaluation of Satisfaction Processes in Retail Settings*- Journal of Retailing, Vol. 57, No.1, pp. 25-48.

Payne A. () *The Value Creation Process in Customer Relationship Management*. Centre for Relationship Marketing Cranfield School of Management Cranfield University, UK

Patterson (2004) <http://www.marketingprofs.com/print.asp?>

Pariseau and McDaniel [S.E. Pariseau and J.R. McDaniel (1997, 14(3):204-218)] *Assessing Service Quality In School Of Business*, International Journal of Quality and Reliability Management,

Porter, M.E. (1985) *Competitive Advantage*, Free Press, New York.

Porter, (1985 cited by Ambler & Wang, 2002.pp.267-281), Ambler T & Riley D. 2000: *Marketing Metrics: A Review Of Performance Measures In UK And Spain*. London Business School Working paper

Rust, Ambler, Carpenter, Kumar & Srivastava, (2004,pp.76-89):*Measuring Marketing Productivity: Current Knowledge And Future Directions*. *Journal of Marketing*,

R. L. Oliver (1980,p. 460-469.): *A Cognitive Model Of The Antecedents And Consequences Of Satisfaction Decisions*. *Journal of Marketing Research* (Surprenant and Churchill, 1982).

Patterson (2004,p.2) : *If You Don't Measure, You Can't Manage: The Best Metrics For Managing Marketing Performance*.

Srivastava R. and Shocker AD. (1991, p. 5) *Brand Equity: A Perspective On Its Meaning And Measurement* Working Paper Series, Report Number 91-124. Cambridge, A: Marketing Science Institute.

Sheth and Sisodia, (2002, p. 351), *The Rule of Three: Surviving and Thriving in Competitive Markets*. New York: The Free Press.

Sunday O. E. Ewah & Alex B. Ekeng,(2009.p,9) *Problems and Prospects of Marketing in Developing Economies: The Nigerian Experience*, *Journal of Business and Management* September, 2009

Tse and Wilton (1988), *Models of Consumer Satisfaction Formation: An Extension*, *Journal of Marketing Research*, Vol. 25, No. 1, pp. 204-212.

Walfried Lassar, Banwari Mittal, Arun Sharma, (1995) *Measuring Customer-Based Brand Equity*, *Journal of Consumer Marketing*, Vol. 12 Iss: 4.