

ASSESSING THE LEVEL OF SERVICE QUALITY AND CUSTOMER SATISFACTION AT EMTTEL LTD

Roopchund Randhir, University of Mascareignes

ABSTRACT

This paper aimed to assess the level of service quality and customer satisfaction at Emtel LTD. As the level of competition is constantly increasing in the telecommunications sector, one key way to stand out of this rivalry is to provide respectable service quality. Service quality is being used as a competitive arm to differentiate them and to create customer satisfaction. The purpose of this study was to gain a better understanding of the service quality dimensions that affect customer satisfaction at Emtel Ltd. In addition, the research also considered on application of the SERVQUAL instrument to assess the quality of service and how this can eventually impact customer satisfaction.

Keywords: Service Quality, SERVQUAL, Customer Satisfaction, EMTTEL, Telecommunications

INTRODUCTION

The world economy is being headed by the Telecommunications sector and the most important factor for creating worth for the consumers and the public as a whole is excellence (OECD, 2007). The telecommunications sector is highly competitive and Emtel is one of the key players in the market. It is important to assess service quality so as to improve customer satisfaction and loyalty. The SERVQUAL framework helps to evaluate any failures and respond to the failures by taking appropriate actions. Cronin, Brady & Hult, (2000) examined the relationships between service quality, perceived value, perceived sacrifice, satisfaction, and behavioural intention. Emtel turned out to be the first cellular operator in the Southern Hemisphere in 29 May 1989. The history of the Mauritian telecommunications began with the support of the Millicom International Cellular (MIC) and Currimjee Jeewanjee Group, which is one of the chief companies in the island. Emtel LTD has overall 18 stores across the island and 1 store in Rodrigues. The aim of the research is to assess how far there are any gaps based on the actual versus the perceived expectations of customers. A sample of 216 customers of EMTTEL was used for the purpose of this study.

STATEMENT OF PROBLEM/STATEMENT OF PURPOSE

The present research seeks to assess the service quality in the telecommunications sector which has become highly liberalized and competitive. Some press articles make mention of certain problems being faced by customers linked to customer service and internet connectivity. However, there is no prior research carried out to look at the failures based on the SERVQUAL

framework developed by Parasuraman, Berry & Zeithaml (1985). Consequently, the research may be highly instrumental for overall quality improvement and customer satisfaction.

RESEARCH OBJECTIVES

The main purpose for carrying out this research is to measure the level of service quality of Emtel Ltd and also to suggest improvements on the service delivery. The precise objectives are shown below:

1. To examine the customer's expectations and perceptions to service quality dimensions.
2. To study the outcome of the service quality dimensions to see which dimension is more effective.
3. To evaluate customer satisfaction level with the actual service being offered by Emtel LTD.
4. To measure the current level of customer satisfaction this is derived from the SERVQUAL framework.

LITERATURE REVIEW

Service Quality

Service is the leading reason for marketing (Vargo and Lusch, 2012). It has been publicised in a review of service marketing literature that the service quality concept has been examined through a significant amount of research (Fisk, Brown & Bitner, 1993). Parasuraman, Berry & Zeithaml (1985 & 1988) correspondingly referred that service quality is connected to the concepts of perceptions and expectations. The evaluation that consumers make between their expectations and perceptions is defined as service quality (Grönroos, 2007). Brown (2013) discovered that even though quality can be defined in various manners, it is usually described as the meeting or exceeding of customer expectations, and it is compound by six principles:

“Continuous improvement, empowerment, teamwork, data usage for decision making, problem solving and at last customer satisfaction.”

Importance of Service Quality

Service quality is a vital tool that can help a firm to combat to stand out from competition (Ladhari, 2008). Chumpitaz and Paparoidamis (2004) discovered that marketing performance is positively affected by service quality. No matter how good the marketing strategies are, if the service is not good, sales will not increase. That is why service quality has to be carefully managed all the time. Furthermore, Literature sustains that service quality has a straight influence on cultivating business performance and is related to growth of market share (Teck-Hong and Yong-Kean, 2012).

Quality is assumed to be a competitive arm (Parasuraman, Berry & Zeithaml, 1985). In both public and private sector organizations, service quality holds an immense position (Seiler, 2004). In utility industries, predominantly in the telecommunications sector, the importance of service quality has correspondingly advanced (Weisman, 2005). Seiler further added that the main reason service companies try to satisfy their clients are that they want repeat transactions and also want the customers to spread a *“positive words of mouth”* to their peers.

Determinants of Service Quality

In this part of the literature review, the service quality dimensions are discussed. At first, Parasuraman, Berry & Zeithaml, (1985) pointed out ten factors to evaluate service quality. These dimensions were: Tangibility, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Accessibility, Communication and Understanding the customer.

With further research and evolution, Parasuraman, Berry & Zeithaml, (1988) altered the service quality dimensions from SERVQUAL. The ten factors were reorganized and shortened into five factors. For working in service quality research and application, the five determinants of the SERVQUAL were approved as it has attained an extensive reception as a mutual stand (Asubonteng, Mcclary & Swan, 1996; Quester and Romaniuk, 1997; Pan and Kuo, 2010). For assessing service quality, Parasuraman, Berry & Zeithaml, (1988) recognized 5 elements: tangibles, reliability, responsiveness, assurance, and empathy sliced as the 22 components of the SERVQUAL framework. The five dimensions are explained below:

Tangibility

Zeithaml & Bitner (2000) alleged that tangibles are defined as the look of bodily amenities, tools, staff and resources to communicate. These elements can be observed easily by the customers. Companies use tangibles to demonstrate the appearance and indicate excellence (Zeithaml, Bitner & Gremler, 2006).

Reliability

This is defined as *“the ability to perform the promised service dependably and accurately”* or *“delivering on its promises”* (Zeithaml, Bitner & Gremler, 2006). *“Getting it right first time all the time”* became the bull's eye for keeping promises, providing timely and accurate information to customers and meeting deadlines.

Responsiveness

Responsiveness *“is the willingness to help customers and provide prompt service”* (Zeithaml, Bitner & Gremler, 2006). The service provider must also be able to meet and adapt to customer's changing needs. Responsiveness can take place due to postponements and detachments, therefore, lengthy distances in the supply sequence can lessen responsiveness (Osborn and Nault, 2012), while the direct dealings between the service firm and the ultimate customer escalates responsiveness.

Assurance

Assurance is defined as *“the employee's knowledge and courtesy and the service provider's ability to inspire trust and confidence”* (Zeithaml, Bitner & Gremler, 2006). It also includes competence, courtesy, credibility and security. At Emtel LTD, when the staffs mentions that a tablet has some special features and also it is durable, and recommend it to the buyer, the

latter believes him and buys it. This is an example how employees inspire trust and confidence in customers.

Empathy

According to Zeithaml, Parasuraman & Berry, (1990), Empathy consists of the company's concern for the best interest of the clients; Shopper satisfaction with consultation; pronouncement and relational abilities of the advisor. It also includes accessibility, communication, efforts in understanding the needs of users and it relates to caring and individualized attention paid by the staff to the customers (Gorla, 2011; Ball and Millen, 2003). When Emtel's staffs remember the name of the regular customers, they give the customers a sense of importance, by this way; they meet the empathy dimension to some extent.

Gaps in Service Quality

A Gap is any difference between the actual and the expected quality. It is important to identify the gaps so that we may position a company in the right direction. There are 5 main gaps in the model. These gaps are discussed as follows.

Gap 1: The Positioning Gap

The first gap reflects the difference between customer's expectation and management's insights of those beliefs. The management does not know exactly what customers expect. Zeithaml, Parasuraman & Berry (1990) labelled the first gap as the misunderstanding of customer expectations by administration and leadership.

This gap may "*trigger a chain of bad decisions and suboptimal resource allocations that result in perceptions of poor service quality*" if it is misunderstood by the influential of the business (Zeithaml, Parasuraman & Berry, 1990).

Gap 2: The Specification Gap

This second gap is regarding the difference between service quality specifications and the board's perceptions of those anticipations which is due to having incorrect service quality principles. A reason for the gap is the absenteeism of total management pledge to pursue quality of service. Garvin (1983) specified in one of his work that "*the seriousness that management attached to quality problems varies*".

Gap 3: The Delivery Gap

The third discrepancy concerns the difference between service quality specifications and services actually delivered, that is, the service performance gap. The employees play a crucial role in performing the service and consumers judge the perceived service quality that they provide. Zeithaml, Parasuraman & Berry (1990) found that the personnel issues like the "poorly qualified employees, inadequate internal systems to support service contact personnel, and insufficient capacity to serve" are the causes for service performance gap (Gap 3).

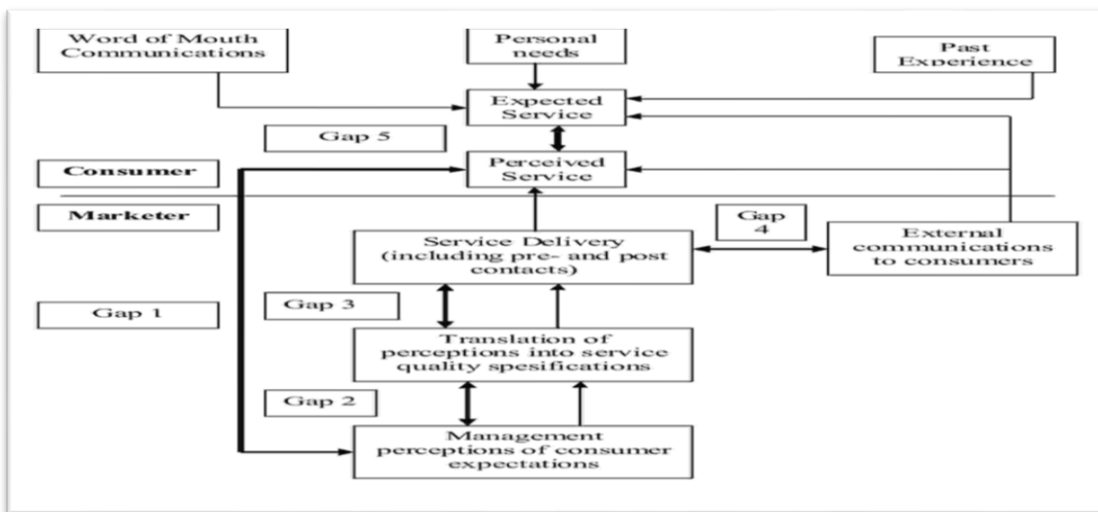
Gap 4: The Communication Gap

The fourth discrepancy concerns the alteration concerning the communications to clients about the supply of services and the actual provision of service, that is, whether assurances match the delivery of the service. Zeithaml, Parasuraman & Berry (1990) laid down that gap 4 is the main cause of low service quality perceptions of what a firm promises and what it really delivers. The telecommunication industry might have overpromised customers by their media advertising and other communications.

Gap 5: The Perception Gap

The fifth gap displays the difference between customer's expectation and perceived service. It is this gap that propped up the service quality evaluating tool, that is, the SERVQUAL framework of Parasuraman, Berry & Zeithaml, (1988). The SERVQUAL approach has been focusing exclusively on this gap (Shahin, 2006; Shahin and Samea, 2010). The key to ensuring good service quality is meeting or exceeding the expectations of consumers from the service.

The Figure 1 below summarises the different service quality gaps in the Services sector. This Model was developed by Parasuramen.



Source: Parasuraman, Berry & Zeithaml. (1985)

FIGURE 1
GAPS MODEL OF SERVICE QUALITY

RESEARCH METHODOLOGY

The research methodology used for this study is a positivist one based on the belief that we may measure the service gaps and bring solutions to the problems of customers. A sample of 216 Emtel customers was chosen for this study. This sample is highly representative of the

population. The period of study was between Januarys till April 2017 where customers were surveyed based on a well determined questionnaire.

Reliability and Validity

According to Hair et al., (2006) the rate of the Cronbach's alpha of 0.7 or more is considered to be acceptable for the factors to be reliable. In this situation, all the features had agreeable Cronbach's alpha value. Therefore the elements are dependable. The table 1 shows the Cronbach Alpha value for the different dimensions related to Service Quality. The Cronbach Alpha being more than 80% it implies that all the scales were reliable.

Dimensions	Items	Cronbach's Alpha
Tangibility	4	0.818
Reliability	5	0.890
Responsiveness	4	0.652
Assurance	4	0.868
Empathy	5	0.898

RESULT AND DISCUSSION

The expectations and perceptions of service quality dimensions

Table 2 displays the mean of the perceptions and expectations as compared to the 5 dimensions of service quality. This came up from the descriptive statistics through the SPSS.

	Elements	Perceptions (Mean)	Expectations (Mean)	Gap
	➤ Tangibles			
1.	Emtel has sufficient and convenient working hours.	3.50	4.25	0.75
2.	The employees are properly and neatly dressed.	3.72	4.09	0.37
3.	The office, displays and brochures are visually pleasing.	3.66	4.25	0.59
4.	Emtel has the necessary tools and up to date appliances.	3.61	4.33	0.72
	➤ Reliability			
5.	The staff members perform the service on time as promised.	3.41	4.25	0.84
6.	The mobile operator performs the service right the first time.	3.45	4.23	0.78
7.	The staffs of Emtel show a sincere interest in solving the issues of their customers.	3.60	4.33	0.73
8.	The employees carry out their transactions accurately and also keep records of it.	3.68	4.26	0.58
9.	Emtel's technology is reliable.	3.56	4.34	0.78
	➤ Responsiveness			
10.	The employees are rapid at delivering the service and handle issues	3.56	4.25	0.69

Table 2
EXPECTATIONS AND PERCEPTIONS OF SERVICE QUALITY DIMENSIONS

11.	The team communicate clearly and politely to their customers.	3.64	4.32	0.68
12.	The time taken for the service delivery is clearly specified to you.	3.44	4.20	0.76
13.	The employees are never be too busy to respond to customers' queries.	3.51	4.21	0.7
	➤ Assurance			
14.	The employees inspire trust and confidence in clients.	3.43	4.07	0.64
15.	You feel safe while doing transaction with Emtel.	3.62	4.27	0.6
16.	The staffs are knowledgeable and competent.	3.51	4.36	0.85
17.	The staff have the patience to politely listen to complains and resolve it for you.	3.52	4.32	0.8
	➤ Empathy			
18.	The employees give you individual attention.	3.52	4.09	0.57
19.	Emtel's staffs are courteous.	3.63	4.14	0.51
20.	Your mobile phone operator wants you to have a good experience with them.	3.56	4.12	0.56
21.	The employees of Emtel are caring	3.47	4.07	0.6
22.	Emtel does its maximum to offer the best service possible.	3.68	4.37	0.69

The evaluation that consumers make between their expectations and perceptions is defined as service quality (Grönroos, 2007 & 1988). This theory is applied in this study so as to compare the different attributes. Table 2 shows that the mean perceptions were lower than the mean expectations. Most of the answers varied from neutral to agree for perceptions; on the other hand, the answers varied mostly from agree to strongly agree for the statements of expectations. The mean scores for expectation are all on average, that is, they are all above the score of 3.40 but below 4, while all the score of the expectations are on average of 4. So it can be deduced that gaps exist between expectations and perceptions. The expected mean was in general higher than the perception mean implying that customers had higher expectations than what they are actually perceiving. The gap was higher for Reliability and Responsiveness for the Emtel Services being provided.

The Causes of the Problems

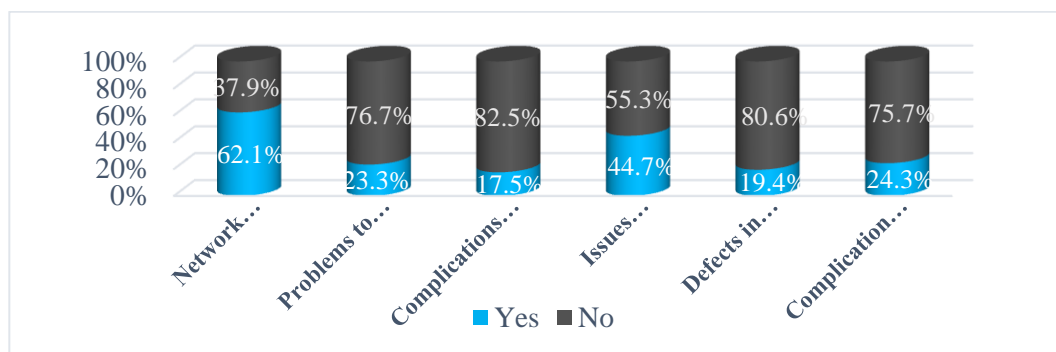


FIGURE 2
CAUSES OF THE PROBLEMS

From Figure 2 above, we may figure that out of the 103 people who disclosed that they came across problems with the products and services of Emtel Ltd, 17.5% alleged that they got complications with prepaid cards, 19.4% got defects in their products and 23.3% had problems to contact customer care. Furthermore, 24.3% of the 103 respondents have had complications with Emtel services, 44.7% had issues regarding internet and the rest 62.1% have had network problems.

As it can be seen, the majority of the problems came with the network, issues regarding internet, complication with the services and problems to contact customer care. Emtel has a serious network issue accompanied with the problems with the internet. The sale of Emtel sim cards will eventually decline if this problem is not resolved. Emtel has very close competitors like Orange and MTML, as it has been mentioned in the earlier chapters that the telecommunication sector is the most important sector, so there are many competitors. Emtel has to be very careful.

Customer Satisfaction at Emtel

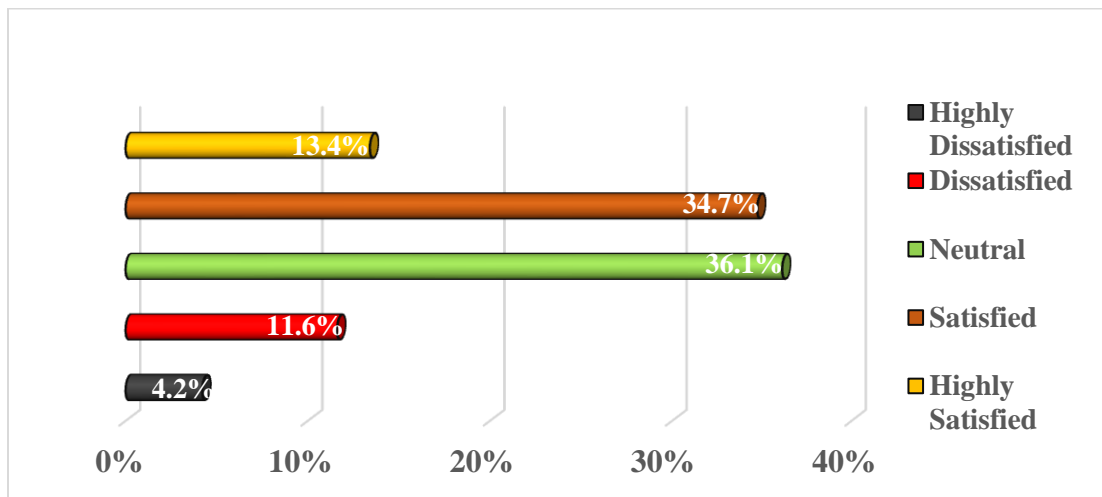
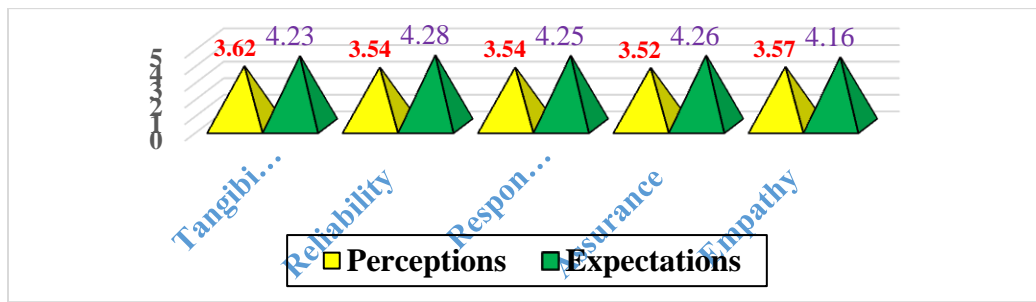


FIGURE 3
CUSTOMER SATISFACTION AT EMTTEL

Most of the customers are neutral with the service quality delivered by Emtel Ltd, with a percentage of 36.1%. 34.7% of the respondents are satisfied with the level of service quality, while on the other side, 11.6% of customers are dissatisfied with the service quality (Figure 3).

The mean value is 3.42, which is closer to satisfaction. It can thus be noted that Emtel LTD is placing paramount effort to please all its customers by providing a good service quality level. Merely, a few respondents (11.6%) are dissatisfied with Emtel's offerings.

Customer Satisfaction based on SERVQUAL framework



**FIGURE 4
CUSTOMER SATISFACTION BASED ON SERVQUAL FRAMEWORK**

Overall, it can be concluded that the expectations and perceptions for each dimensions vary from 3 to 4. The perceptions vary upon 3 and the expectations on 4. Assurance and reliability have the same highest gap score of -0.74 while empathy has the lowest with -0.59. So the Respondents have placed more importance on the reliability dimension and as they have more expectations on its attributes while least importance has been placed on the empathy dimension’s statements (Figure 4).

Correlations			
		ServiceExpPercep	Customer Satisfaction
ServiceExpPercep	Pearson Correlation	1	0.483**
	Sig. (2-tailed)		0.000
	N	216	216
Customer Satisfaction	Pearson Correlation	0.483**	1
	Sig. (2-tailed)	0.000	
	N	216	216

From the above Table 3, we find that there is a correlation which is significant between Service Expectation perception and Customer Satisfaction with a correlation coefficient of 0.483. However, the degree of association is not too strong-rather it is average with a value being near to 0.5. The P Value is less than 5% and therefore we reject the Null Hypothesis that Service expectations have no influence on Customer Satisfaction. Consequently, we accept the alternative hypothesis that there is an influence between the two factors. This is in line with the description of Brown (2013) identified earlier in the literature. Consequently, Emtel should seek to improve it’s branding and the different dimensions explained such as tangibles, empathy and assurance for higher profitability.

Chi-Square Tests					
	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	13.655 ^a	1	0.000		
Continuity Correction	12.654	1	0.000		
Likelihood Ratio	13.856	1	0.000		
Fisher's Exact Test				0.000	0.000
Linear-by-Linear Association	13.592	1	0.000		
N of Valid Cases	216				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 43.39.

The Hypothesis Ho in question is that a problem with Emtel products does not lead to customer switching due to poor service quality. From the above, we find that the P value is less than 5% consequently indicating that problems faced leads to high switching and poor perception of service quality (Table 4). Customer's shift from one product to another product of similar nature is called brand switching behaviour of customers (Garland, 2002). Brand switching is basically a process by which customers choose to switch from a product or brand of routine use to another product or brand of similar nature. Brand switching can be aggressive or defensive. Aggressive brand switching is that type of switching in which customers are induced by advertisement of promotions to buy a brand different from the brand purchased previously. On the other hand defensive brand switching is a type of switching in which advertisement of promotions of company induce customers to buy again previously purchased brand. Defensive brand switching is a strategy of companies in order to induce loyalty in customers (Ludi, 2004). Telecommunication industry is one of the industries which possess high rates of brand switching (Edvardsson, Gustafsson and Roos, 2004). This is mainly due to intense competition in telecommunication industry. A number of companies are operating in telecommunication industry across the world. Customers of mobile service provider companies often switch towards brands which provide extra benefits to them. Telecommunication industry is characterized by high growth. It has been forecasted that the number of mobile subscribers will reach at 5 billions in the next five years which was 4 billion by the end of 2011.

Symmetric Measures			
		Value	Approx. Sig.
Nominal by Nominal	Phi	0.251	0.000
	Cramer's V	0.251	0.000
N of Valid Cases		0216	

The Table 5 provides the Phi and Cramer's V value that shows the degree of association for the statistics discussed above. However, the Phi and Cramer's V value being 0.251 it indicates a poor association as the value is lesser than 0.3. This low Cramer's V value could be explained due to the fact that Emtel is well established and is still amongst the pioneer telecommunications services provider in Mauritius.

FUTURE DIRECTIONS OF STUDY

This study is part of bigger research theme of improving quality in organisations which is quintessential for the success of any organisation. Future research may be on considering on a scale for the telecommunications sector. In addition, the research may focus on one of the different dimensions for quality improvement. Future research may also link SERVQUAL to customer loyalty variables.

CONCLUSION

This research is highly stimulating and enriching for Emtel as well as for the field of Service Quality. Firms in the telecommunications sector would learn about some of the different service quality gaps that exist. This research also consolidates the importance of dealing with customers problems and clearly establishes a clear link between service expectations and customer satisfaction. The vision of Emtel will be accomplished if more services are provided following market conditions. This research was embarked on with the aim to identify and understand the need of customers and find the zones where there are gaps which were creating dissatisfaction. There is always room for improvement to better serve customers.

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