Service Recovery and Customer Satisfaction: A Case of Uganda Telecom

Masud Ibrahim[1*] Ssendiwala Abdallahamed[2]

1.   Department of Management Studies Education, University of Education, Winneba, Box 1277, Kumasi – GHANA

2.   Marketing and Brand Manager, Reckon Concepts LLC Plot 15 Nkinzi Road, Wandageya, P. O Box 21203. Kampala - Uganda.

* E-mail of the corresponding author: imasud10@gmail.com

Abstract

This study sought to explore service recovery strategies adopted by telecommunication companies operating in Africa with Uganda Telecom as a case study. The study adopts a quantitative approach design. A sample size of 250 respondents was used for this study comprising 100 Uganda telecom Staff and 150 subscribers of Uganda telecom in Kampala central business district. Findings of the study revealed a significant positive relationship between service recovery based on firm's understanding of customer complaints, firm's fair treatment of customer complaints and customer satisfaction. Furthermore, the study also found a positive correlation between service recovery and customer satisfaction. The study contributes to extant literature on service recovery from developing country perspective.

Key Words: Service Recovery; Customer satisfaction, Telecommunication, Uganda Telecom

1. Introduction

Service Recovery involves actions taken by an organisation in response to service failure (Zeithaml & Bitner, 2009).   Overall, most companies will have at least one in ten customers who will not be satisfied with the service they receive. Therefore, given that in the best managed companies problems will still occur, an emphasis should be placed on service recovery - the process of putting right what went wrong (Gavin & Durand, 1998).

Customer satisfaction is crucial to the survival of any business organization. Maxham (2001) explains consumer satisfaction as an individual's subjectively derived favourable evaluation of any outcome and/or experience associated with consuming a service. However, service failures are often unavoidable due to human and non-human errors. Such failures to perform a service inevitably lead to customer dissatisfaction. The consequences can be dire to a service provider. The breakdown in relationship can contribute to a rise in customer complaints, bad word-of-mouth communications and defections (Ah-Keng & Wan-Yiun, 2006).

Unlike in the past, telecommunication is becoming increasingly competitive. Successful operation calls for greater attention to customer satisfaction and quality service delivery. Successful service recovery can not only save the firm money through customer retention, but also generate more revenue through increased customer loyalty (Kelley, Hoffman, & Davis, 1993). Customer satisfaction translates into a customer doing more business with the firm and advocating for the firm through positive word of mouth comments (Press, Ganey & Hall, 1997). The results of service breakdowns are customer dissatisfaction and possibly customer defection depending on the customer's trust, knowledge and the availability of alternative service provider (Ranaweera & Prabhu, 2003).

In recent times, there has been an emergence of many companies that aim to provide the teeming Ugandan population with telephone and internet communication services. This comes in the mobile telephony, internet broadband, wireless, mobile 3G, mobile Money and several others. In this era of increased competition, businesses are striving to find any point of uniqueness to distinguish them from other competitors. Firms use various recovery strategies such as empathic listening, apologies, remediation (fixing the problem), and compensation (atonement) in response to service breakdowns. These strategies are deemed successful if they result in customer satisfaction (Jo, Duffy & James, 2006).

In essence, the service firm's true test of commitment to service quality and customer satisfaction depends on how it responds after a service failure (Zemke and Bell, 2000). Indeed, this compels firms to adopt better service recovery practice purported to adequately satisfy the needs of customers in case there has been a service failure. Hence, firms look beyond traditional performance measures and explore the strategies for efficient service recovery determining what does and does not work in order to formulate customer-based missions, goals, and customer satisfaction. Despite the attempt by firms in the telecommunication industry to improve their services through managing customer complaints, some customers still are not satisfied with the service. This calls for a research study to be undertaken to investigate service recovery and customer satisfaction in Uganda Telecom.

The study seeks to measure the relationship between Service recovery by firm's accountability of customer complaints, as well as service recovery by firm's fair treatment of customer complaints and customer satisfaction.

The study seeks to address the following objectives;

- To establish the relationship between firm's fair treatment of customer complaints and customer satisfaction
- To find out the relationship between service recovery based on firm's fair treatment of customer complaints and customer satisfaction
- To establish the relationship between service recovery and customer satisfaction

The rest of the paper is structured as follows; the next section reviews relevant literature on service recovery and a conceptual framework for the study. The third section follows with some explanations of the research methodology. In the fourth section, the study's findings are presented and discussed. The final section outlines the main conclusions of the study and puts forward the implications of the findings on management.

2.0 Service Recovery

Zemke & Bell (2000) describe service recovery as a process for returning aggrieved customers to a state of satisfaction with the organization after a service or product has failed to live up to expectations. Schweikart et al. (1993) view service recovery as part of quality management and that the ultimate objective of it all is to maintain the business relationship with the customer. This contention is based on the premise that customer satisfaction ensures customer loyalty, repeat sales and positive word-of-mouth communication (Bearden & Teel, 1983).

According to Tax and Brown (2000), service recovery is a "process that identifies service failure, effectively resolves customer problems, classifies their root causes and yields data that can be integrated with other measures of performance to assess and improve the service system". Berry and Parasuraman (1991) assert that a service company always has a second chance, even after an initial unfavourable service experience, because recovery activities such as apologies, explanations, substitutions, or compensation can save the relationship and arrest negative word of mouth.

2.1 Customer Complaints

Service recovery is of particular importance if one considers that in many instances dissatisfied customers simply do not complain to the service provider. The few who do complain provide valuable information in terms of what can be done to improve customer satisfaction. Zeithaml, Bitner & Gremir (2009) asserts that the unwillingness to air complaints results in ignorance among service firm decision makers and has a number of serious consequences including a declining market share, more expensive defensive marketing strategies, the inability to correct faulty systems and the undermining of the validity of customer complaint data as input to decision making (Bearden and Teel, 1983). To avoid these negative outcomes customers ought to be encouraged to complain while employees should be willing and able to respond. In other words, effective service recovery is dependent on both customer and employee inputs.

2.1.1 Service recovery by Firm's accountability of Customer Complaints

Customers' service experience is troublesome to maintain without dissatisfaction. Service recovery by firms processes (i.e. the handling of complaints and complaint behaviour processes) may be seen as a critical moment of truth for firms in their efforts to satisfy and retain customers. There is a substantial literature on how to handle customers' behaviour and complaints in general (Tronvoll, 2007).

In leading the customer through a negative experience, employees should act quickly, show concern and empathy, and always remain pleasant, helpful, and attentive (Bell & Zemke, 2000). Furthermore, customers should be treated as individuals whose specific requests are acknowledged, because "token" responses by a company resulted in the most vehemently negative responses (Spreng, Harrell, & Mackoy, 1995). Understanding the customer's emotions might help the company to choose the right action, both when the incident occurs, and when the complaint is expressed.

2.1.1.2 Assurance

Bell & Zemke (2000), states that in service recovery, assurance is really reassurance that everything is okay or soon will be made so. Assurance is an array of emotional cues that tell the customer to "be assured, all is well, and everything in its place." When service breakdown occurs, assurance has a deeper, more poignant meaning. Furthermore, Bell & Zemke (2000), Assurance is an unspoken guarantee or pledge, if a service provider refuses

to participate in the fashion expected, customers feel out of control and in need of reassurance. A heavy dose of authenticity, coupled with a generous helping of confidence-building actions, is required in the recipe to quickly right the failure and honour the pledge.

2.1.1.2 Apology

When looking at why customers complain, many different approaches can be identified. In reality, the reason why people take the trouble to complain is that they only want what they were denied. This can be as simple as an apology. So if a company fulfils the needs of a complaining customer then this individual will reciprocate by continuing to do business. Equally, this customer will then comment more positively about the organisation. Research in the hotel sector has found that the way complaints are handled is the major factor determining whether customers return (Gavin & Durand, 1998).

One of the most popular myths concerning complaining customers is that they always require a refund. In fact this is not always the case. For example, fewer than 10 per cent of restaurant diners expect a bill reduction if a specific dish they ordered was unsatisfactory. They would rather have the dish replaced or reheated. In essence it is the service firm that offers the refund, so tearing up the bill or giving a free coupon for a future meal may be handing over money needlessly (Gavin & Durand, 1998).

2.1.1.3 Explanation

Berry & Parasuraman (1991) assert that a service company always has a second chance, even after an initial unfavourable service experience, because recovery activities such as apologies, explanations, substitutions, or compensation can save the relationship and arrest negative word of mouth.

Jo, Duffy & James (2006) revealed customers' expectations and found that annoyed customers thought the service provider should offer an apology and fix the problem while victimized customers expected compensation, greater responsiveness, an apology, intervention by higher level managers as well as explanations and assurance the problem would not reoccur.

2.1.2 Relationship between Service recovery by Firm's accountability of Customer Complaints and Customer Satisfaction

Boshoff (1997) showed that once customers receive an apology or once they receive an apology and a free gift or likewise, their recovery satisfaction and behavioural intention improve significantly. In addition, the latter recovery strategy leads to higher customer satisfaction as compared to the former recovery strategy.

In addition, the latter recovery strategy leads to higher customer satisfaction as compared to the former recovery strategy. Jiangang and Tianjun (2010) suggests that, for the same level of service failures, different service recovery strategies (e.g. apology, compensation, aid and compensation) lead to a significant difference in customer recovery satisfaction, i.e. customer satisfaction will be the highest when customer aid and compensation are given at the same time.

2.1.3 Service recovery by Firm's Fair Treatment of Customer Complaints:

Customer perceptions of being fairly treated represent a significant factor in service recovery evaluations (Smith, 2007). Because a report of a service failure implies, at least to some extent, "unfair" treatment of the customer, service recovery must re-establish justice – from the customer's perspective (Michel 2009).

Zeithaml et al. (2009) describes three dimensions of the Firm's fair treatment of customer complaints or Justice; Distributive justice (Outcome Fairness), interactional justice (Interactional Fairness) and procedural justice (Procedural Fairness), all three types contribute significantly to customers' evaluations of recovery (Michel 2009).

Distributive justice is "outcome" justice. It focuses on "equity" issues in the mind of the customer – an appraisal of the benefits received relative to the costs (money and time) associated with them. When the firm does not deliver on expected benefits, leading to a sense of being unfairly treated, this necessitates recovery. In recovery, customers may expect a refund, an apology, a token compensation, equivalent compensation or a "big gesture" compensation (Bowen and Johnston, 1999). Distributive justice (Outcome Fairness) is the extent to which customers evaluate the fairness of the service recovery outcomes (Smith et al., 1999). Distributive justice focuses on customers' feeling of equity which is the result of the comparison of input costs with received outcomes. For some extents, the received outcome represents the reimbursements, such as apologies, discounts and refunds.

Interactional justice is often referred to as "interpersonal" justice. In recovery situations, the customer's negative emotions (e.g. anger, hate, distress, and anxiety) must be addressed before he or she will be willing or able to accept a solution such as compensation, refund, etc. Because emotions tend to overwhelm cognitions in recovery situations (Smith & Bolton, 2002), service managers should manage consumers' emotional experience during and after a service failure. Interactional justice (Interactional Fairness) refers to the degree to which customers evaluate the fairness in terms of the manners of service representatives through non face-communication in service recovery process.

Procedural justice refers to "process" fairness and the evaluation of the procedures and systems used to determine customer outcomes (Seiders and Berry, 1998), such as the speed of recovery (Tax and Brown 2000) or the information communicated (or not communicated) about the recovery process (Michel, 2003). Furthermore, Procedural justice (Procedural Fairness) refers to fairness that customers perceived in terms of service recovery process and policies (Smith et al., 1999). Previous studies have found that procedural justice could be a driver of satisfaction with service recovery in off-line context (Tax and Brown 2000).

Although interactional justice is more abstract than the other two perceived justices for customer to evaluate in the service, the higher level of interactional justice will lead to higher degree of satisfaction with service recovery could be expected. First, previous studies found that the positive ambiances involved in the communication from service representatives to customers could affect customer satisfaction (Tax and Brown 2000).

Second, though another communication medium such as telephone or email is needed in service recovery process, it is reasonable to infer that the positive manner still remains and can be communicated via these media.

2.2 Relationship between Service recovery by Firm's Fair Treatment of Customer Complaints and Customer Satisfaction

The research of service encounter incidents indicated procedural-related concepts, such as waiting time and flexibility, showed high correlations with customer satisfaction (Zeithaml & Bitner 2009). Since service recovery implementation is the process of problem resolution accompanied with two conflict parties (i.e., service providers and customers).

2.2.1 Customer Satisfaction

According to Kolter (2000), satisfaction is an individual's feelings of pleasure or disappointment resulting from comparing the perceived performance (or outcomes) of the service provided in relation to his or her expectations. Hoyer and MacInnis (2003) said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight, which claims that when consumers receive service that is better than expected, they will be satisfied. Alternatively, service that is worse than expected leads to dissatisfaction.

According to the disconfirmation theory, satisfaction results when the consumer has an encounter that is better than expected. In service recovery research, two evaluation phases occur. Service recovery starts, by definition, with initial customer dissatisfaction. After this first evaluation, when they determine the service was worse than they expected, customers may go through a recovery process with the firm, which leads to a second evaluation (Michel & Matthew, 2008). Yet, mistakes are an unavoidable feature of all human endeavour and thus also of service delivery. Although poor service delivery may initially appear to be a disaster, opportunities abound for service companies to resolve problems, go beyond the call of duty and win a customer for life. In other words, effective customer complaint handling, or service recovery, can turn angry and frustrated customers into loyal ones (Boshoff, 1997).

2.2.2 Word of Mouth

Word-of-mouth (WOM) has been defined as: "informal communication between private parties concerning evaluations of goods and services" (Anderson, 1998, p. 6). WOM as being defined above is the informal communication to evaluate products/services between private parties, excluding formal contacts and/or communications between consumers and a firm such as complaints, promotions, and seminars. Typically, WOM is either extremely positive or abominably negative, together with vivid and memorable experiences, recommendation, or complaints and rumour in the case of negative WOM (Wang, 2011), WOM may convey a giver's experiences favourably (positive WOM) or may focus on unpleasant experiences, denigrating products via rumours or private complaining (negative WOM) (Zeithaml, Bitner & Gremir 2009).

2.2.3 Repurchase Intention

Repurchase intention refers to the subjective probability that an individual will continue to purchase products from the service provider or store in the future. Customer satisfaction is particularly important to the success of online stores as it is posited as a major driver of post-purchase phenomena, such as repurchase intentions (Yu-Hui, Chao-Min, & Wang 2011).

2.3 Service Recovery and Satisfaction

Satisfaction with service recovery is the extent to which customers are satisfied with the recovery efforts after experiencing service failures (Smith & Bolton, 1999). In service recovery process, satisfaction with service recovery is an essential element. Specifically, satisfaction with service recovery not only can drive the loyalty behaviours, but also be the unique mechanism that links service recovery efforts to favourite outcomes (Tax et al., 2000).

Repurchase intention and word-of-mouth intention are two consequences of satisfaction with service recovery. Both repurchase intention and word-of-mouth intentions are in the domain of customer loyalty (Oliver, 1999). Similar to previous works, repurchase intention has been defined as the likelihood that customers would buy company's products again after receiving the service recovery efforts; word-of-mouth intention refers to the likelihood that customers would voluntarily recommend company's products after receiving the service recovery efforts (Blodgett, Hill, and Tax, 1997).

2.4 Conceptual Framework

The study seeks to examine the relationship between Service recovery by firm's accountability of customer complaints, Service recovery by firm's fair treatment of customer complaints and Customer Satisfaction. The independent variables which include Service recovery by firm's accountability of customer complaints and Service recovery by firm's fair treatment of customer complaints have a direct relationship with customer satisfaction which is the dependent variable.

Insert figure 1 around here

Zeithaml, et al. (2009) contends that resolving customer problems effectively has a strong impact on customer satisfaction, loyalty, and bottom-line performance. That is customers who experience service failures, but are ultimately satisfied based on recovery efforts by the firm, will be more loyal than those whose problems are not solved. The outcomes must be perceived to be fair or just by the customers in order for them to be satisfied with the service recovery. This contention further is based on the premise that customer satisfaction ensures Repurchase intention and positive word-of-mouth communication (Bearden & Teel, 1983).

2.5 Methodology

This section outlines the research methodology that was used to conduct the research. It constitutes the research design, population of study, sample size and selection, data methods and instruments, reliability and validity of instrument, data management and analysis.

2.5.1 Research design

The research adopts a cross-sectional design which allows the researcher to draw one or more samples from the population at one time period. Since it is a correlational type of design, it establishes a relationship between two variables in each case, i.e. one dependent and the other an independent variable. The cross sectional design was also used because the study has to be completed in a short time period and the inadequate financial resources available (Amin, 2005). The quantitative approach was used to quantify incidences, current conditions and to investigate the relationship between the independent and dependent variables using information gained from the questionnaire. The qualitative approach will be used to give an explanation of the events and describe findings using documentary analysis. All this will enable the obtaining of data that will be used to find solutions for the research questions on service recovery and customer satisfaction of Telecommunication companies with Uganda telecom in Uganda.

2.5.2 Study Population

The research study comprised One Hundred (100) Uganda telecom Staff and 150 subscribers of Uganda telecom in Kampala central business district. The sample comprised four districts Nakawa, Kawempe, Makindye and Lubaga.

2.5.2.1 Sampling method and sample size
The sample size was determined using the Krejcie & Morgan's table (1970) as cited in Amin (2005) and Gay and Diehl (1992), method that states least 30 subjects are required to establish a relationship, thus 30 respondents were picked from each division of Kampala district. The study used a simple random sampling method and purposive sampling method to include all as shown in table 1 and table 2 below. Purposive sampling was used to pick only those respondents who have special knowledge and experience on service recovery.

Insert Table 1 & 2 around here

From the table above, the total population of staff is 100. And the sample selected is 80 depending on the departments selected purposively.

2.5.3 Description of the Source of data
The study made use of both primary and secondary data sources. The secondary data gathered includes relevant documents and reports obtained from the archives and other research work on the topic. Primary data gathered from respondents was collected via questionnaire filled by the respondents. The selection of these tools was guided by the nature of data to be collected, the time available as well as the objectives of the study.

2.5.4 Instrumentation
The quantitative measure was administered using structured questionnaire. The Likert (rating) scale with 5 numbered points, continuous, and anchored at end-points and mid-point; or one-item question were used. (Five-point Likert scales anchored on "Very satisfied" (5) and "Very dissatisfied" (1).

The structured questionnaire was adopted since it elicits specific responses that are easy to analyse. It is also economical in terms of time because it is easy to fill in, which takes little of the respondent's time and that of the researcher in administering and analysing them. (Amin, 2005)

All variables are mutually exclusive, and collectively exhaustive for all variables in each hypothesis. The questioner will be designed according to the Likert Scale to explore the key variables. Questionnaires are efficient & convenient in collection of quantitative and qualitative data which enables triangulation (Amin, 2005).

2.5.5 Data Quality Control
For quality control, a pre-test of the research instrument is to be done to test its face validity from experts and reliability. The questionnaires accuracy and completeness was checked using the Cronbach's α (alpha) test. The cut off points was ≤ 6 weak, 7 minimum acceptable and ≥ 8 above good since Likert scale measures are fundamentally at the ordinal level of measurement because responses indicate a ranking only.

2.5.6 Validity
Validity refers to the appropriateness of the instrument, while reliability refers to the consistency in the measuring whatever it is meant measure (Amin, 2005). Validity also refers to quality that an instrument used in research is accurate, correct, true, meaningful and right. The valid instrument is supposed to produce true results that reflect the true situation in the conditions of the environment it is supposed to measure (Gravetter & Forzona, 2011). In this study, validity was established through content validity by ensuring that the content of the instruments corresponded to the contents of the theoretical concept it is designed to measure.

2.5.7 Reliability
Reliability refers to the consistency of the research instrument. Reliability gives a measure of stability or dependability or trustworthiness of an instrument in order to obtain information. International consistence will be used during which Cronbach's alpha reliability coefficients greater than 0.7 will be considered significant (Collis & Hussey 2009). Reliability also refers to the degree with which an instrument consistently measures whatever it is measuring. The instrument produces the same results whenever it is used to measure what is intended from the respondents (Amin, 2005). Reliability of questionnaires will be assured through pre-testing as explained above.

2.5.8 Measurements
A standard questionnaire (Ah-Keng & Wan-Yiun, 2006) was constructed using the Satisfaction Likert scale with 5 numbered points, continuous, and anchored at end-points and mid-point. The constructs Assurance, Apology, Explanation, Outcome fairness, Procedural fairness, Interactional fairness, Word of Mouth and Repurchase intention were measured on a 5 point scale i.e. "Satisfied" (5) to "Very dissatisfied" (1) and was

used to obtain quantitative primary data from individual respondents. This particular type of attitude scale was chosen among others since it is flexible and could be constructed more easily than the other types of attitude scales (Amin, 2005).

2.5.9 Data Analysis

The data collected was analysed using quantitative analysis. A quantitative analysis is adopted for data analysis because the information gathered is quantitative in nature. Inferential statistics (confidence intervals and tests of hypotheses) are used for the data analysis. The purpose of making statistical inferences is to generalize from sample results to the population characteristics. The analysis included correlation and regression to establish the strength and direction of the relationship between the variables.

2.6 Findings

The finding of this study is divided into three main sections. The first section deals with the general/demographic characteristics of the respondents. The second section discusses the findings from the study. Section three analyses and discusses the relationship between the various variables in the study. Relationships among the study variables were examined using the correlations and regression analysis. This helped the researchers address the study's objectives as stated earlier.

2.6.1 Demographic Characteristics of Respondents

Findings with regards to gender and age indicate that 63.6% of the sampled respondents were male and 36.4% were female. In addition, 18.6% of respondents are in the category "below 25 years" age group; 42.9% belonged to the "25-30 years" age group; and 38.6% belonged to the "30 years and above" age group. In summary, the male respondents were more responsive compared to their female counterparts and the 25-30 years age group was more responsive.

2.6.2 Gender and Highest Educational Level

Cross tabulation was used by the researcher to present the gender by the education level of the respondents. The results obtained shows that about 63.6% were male and 36.4% were female respondents. In addition, 5.7% had attained a certificate level of education, 13.6% were diploma level of education, 50.0% were a first degree level of education, 24.3% were Post Graduate holders and 6.4% their highest level of education was not known. From the results, the male respondents were more responsive compared to their female respondents, although the respondents with first degree level of education were more responsive compared to the other levels of education.

2.6.3 Gender and Years of Subscription

The results in the table 5 above indicate that majority 100 (71.4%) of the respondents had been with their telephone service provider for a period of over 5 years. Followed by those who had been with their telephone service provider for a period of 3-5 years with 33(23.6%). However, the remaining 5.0% indicates few customers who have just started using the services of the particular service provider.

2.6.3 Inferential Statistics

With inferential statistics, we are trying to reach conclusions that extend beyond the immediate data alone. We use inferential statistics to make judgments of the probability that an observed difference between groups is a dependable one or one that might have happened by chance in this study. Thus, we are using inferential statistics to make inferences from our data to more general conditions.

2.6.3.1 Pearson's Correlation analysis

Pearson's Correlation analysis was used to determine the nature (direct or inverse) and the degree of association between two or more variables in this study. Pearson's Correlation analysis was preferred since it is a common measure of the relationship between numerical variables measured on Likert scale (Tull and Hawkin, 1987).

Inset Table 3 around here

2.6.4 Relationship between Service recovery based on Firm's understanding of Customer Complaints and Customer Satisfaction

According to the results in Table 3 above, the correlation results indicate a significant positive relationship exists between the relationship between Service recovery based on firm's understanding of customer complaints and customer satisfaction with $(r = .640^{**}, P = 0.000 < 0.01)$. This is indicative of the fact that the effective use of firm's understanding of customer complaints constructs can increase repurchase and encourage positive word of mouth.

2.6.5 Relationship between Service recovery based on Firm's Fair Treatment of Customer Complaints and Customer Satisfaction

Results in table 3 indicate that a significant positive relationship exists between Service recovery based on firm's fair treatment of customer complaints and Customer Satisfaction $(r = .683^{**}, P = 0.000 < 0.01)$. Essentially, service firms believe that customers who are recovered are the ones that spread the value of business to others, leading to new people to business and helping the company grow. The relationship has a merit that a customer who is fairly recovered will use the firms services regularly is likely to be someone that thinks highly of something is likely to spread the word to others.

Think about it, most service firms strive to have 30% of their customer base as loyal customers. That might sound great, but that leaves 70% who are NOT. Given that loyal customers will always give the firm a chance to redeem itself after service failure by complaining, these are the primary 'spreaders' of positive word of mouth, that means the 70% are either doing no good or are saying something less than positive and possibly even flaming you or even not repeat the purchases.

2.6.6 Regression Model

In addition to the correlations, multiple regression analysis was used to predict customer satisfaction as indicated in the table below. Using regression method, a liner service recovery and customer satisfaction was determined. The effects of the study variables on customer satisfaction are shown as follows.

Insert Table 4 around here

As shown in the table 4, the R-square 51.3% is adjusted for potential errors in the row data to 50.5%. This means the combination of both the independent variables, predict a 50.5% of the variance in customer satisfaction.

However, the greatest predictor of the variation in relation to the magnitude of Beta Coefficient is service recovery based on firm's fair treatment of customer complaints $(\beta = .338, t = 5.367, sig = 0.000)$, followed by service recovery based on firm's understanding of customer complaints $(\beta = .210, t = 3.573, sig = 0.000)$.

The F-Statistic $(72.031, sig = 0.000)$ also shows that these variables are statistically significant predictors. This implies that all the variables were important in determining customer satisfaction.

A variable with a very high lower bound in the Confidence Interval for B contributes a lot of information to a model. Thus the independent variables are relatively important in creating customer satisfaction; hence telecommunication firms must focus their attention on crafting craft strategies that may improve service recovery and customer satisfaction.

2.7 Discussion

This study sought to explore service recovery among telecommunication companies in Africa with Uganda Telecom as a case study. The study sought to address three main objectives i.e. to establish the relationship between service recovery based on firm's understanding of customer complaints; service recovery based on firm's fair treatment of customer complaints and customer satisfaction; and proffer working recommendations on how firms could offer service recovery.

With regards to the *objective 1* the findings revealed a significant positive relationship between the relationship between service recovery based on firm's understanding of customer complaints and customer satisfaction with $(r = .640^{**}, P = 0.000 < 0.01)$. The effective use of firm's understanding of customer complaints constructs assurance, apology and explanation were significantly related to customer satisfaction. Boshoff (1997) showed that once customers receive an apology or once they receive an apology and a free gift or likewise, their recovery satisfaction and behavioural intention improve significantly. In addition, the latter recovery strategy leads to higher customer satisfaction as compared to the former recovery strategy. As a result, many service organizations offer various combinations of refunds, credit, discounts, and apologies to make peace with dissatisfied customers. The speed with which service failures are corrected or complaints are handled is one of the major determinants of customer perceptions of procedural justice (Blodgett et al. 1997; Tax et al. 1998).

Offering a causal explanation for a service failure contributes to understanding of the customer's complaint. But as McColl-Kennedy and Sparks (2003) suggest, front-line employees need to be trained in the art of providing explanations. Explanations need to be both sincere and adequate in explaining the causes for poor performance (Folger and Cropanzano, 1998) in order to elicit customer satisfaction.

The study also revealed with regards to *objective 2* that there is a significant positive relationship between service recovery based on firm's fair treatment of customer complaints and customer satisfaction $(r = .683^{**}, P = 0.000 < 0.01)$. Essentially, service firms believe that customers who are recovered are the ones that spread the value of business to others, leading to new people to business and helping the company grow. The relationship has a merit that a customer who is fairly recovered will use the firms services regularly is likely to be someone that thinks highly of something is likely to spread the word to others.

Furthermore, findings with regards to *objective 3* revealed a positive correlation between service recovery and customer satisfaction. Service recovery had a strong influence on WOM and overall firm satisfaction had a strong influence on purchase intention. This finding suggest that customers who are satisfied with service recovery efforts are willing to recommend the failing firm to friends and those who are satisfied overall with the firm are likely to make repurchase decision. Thus, satisfaction with recoveries may increase the likelihood that customers will recommend a particular telecom firm to friends and family. Similarly, though overall satisfaction with a firm affects purchase intent, it may not affect WOM intent. Still, given the importance of WOM intent in creating new customers and the importance of repurchase intention in retaining existing customers it seems beneficial for service providers to consider how both satisfaction with the recovery and overall firm satisfaction affect these different types of intent (Hart et al. 1990; Kelley et al. 1993).

2.8 Conclusion

From the findings of this study, it is inevitable that this study tries to get convincing evidence so as to prove that the tested hypotheses are worthy to be accepted or worthless to be accepted. In trying to gather convincing evidence, the needed data was sourced from both the primary and the secondary source by using the administered questionnaire. This research focused on examining the relationship between Service recovery based on firm's understanding of customer complaints, as well as service recovery based on firm's fair treatment of customer complaints and customer satisfaction. Service recovery based on firm's understanding of customer complaints was positively related to customer satisfaction. The use of assurance, apology and explanation enables telecommunication firms to ensure that quick responses are met immediately after service failures. Excellence service is an important driving factor of competitive advantage, especially in the Ugandan telecommunication industry that is intensely price based competitive environment, dependent on high economies of scale and with low levels of staff-customer interaction, the more stable consumption experiences, the more likely the satisfaction responses will show up from customers. In the sense, service failures cannot completely avoidable, Service recovery based on firm's understanding of customer complaints and Service recovery based on firm's fair treatment of customer complaints have been proven as an effective strategy for satisfying customers after service failures in services marketing settings. The present study underscore the effectiveness of fairness in service recovery practices and implementation, and these efforts could lead to customer satisfaction and favourable loyalty responses. Thus from the findings, the relationships between the independent and dependent variables were found to be positive and significant. All independent variables were found to be significant predictors of customer satisfaction.

2.9 Recommendations

The following recommendations are hereby given for management of telecommunication firms and other sectors which find the study quite applicable to the sustenance of their operations.

Management of telecommunication firms should undertake various research works to find out the various needs of its subscribers as well as its potential subscribers. Acknowledgement and apology fast should be made to subscribers in cases of limited connectivity via email, Telephone, SMS, radio, television, newspapers or even on the telecommunication firms' website as a means of creating "a better service".

The results also show that great service recovery cannot compensate for poor service delivery but it can go a long way towards limiting its harmful impact. To achieve that, the service firm's customer complaint system must be geared to move with some speed and ensure that the customer is not financially disadvantaged due to the poor service delivery. The longer the service recovery is delayed, the higher the level of atonement that will be required.

The results indicated correlations of $(r = .640^{**}, P = 0.000 < 0.01)$. and $(r = .683^{**}, P = 0.000 < 0.01)$ between the study variables. Though it is a significant and positive, there is still a strong recommendation for telecommunication firms to improve complaint handling and service recovery more effectively and efficiently so that we can get high correlations that is so close to 1.

The study used a cross sectional design to study the relationship between the study variables and customer satisfaction. However, to study the true nature and quality of the relationship between the study variables and customer satisfaction, the management of telecommunication firms should conduct a study which is longitudinal in order to ascertain the true nature and quality of customer satisfaction.

According to the finding on the relationship between the study variables and customer satisfaction, positive and significant relationships were observed. Therefore, the management of telecommunications firms need to put a lot of attention on the significant relationships as these will have a positive effect on the attitudinal, behavioural and cognitive aspects of customer satisfaction.

2.10 Areas of Further Study and Research

Several limitations of the present research are of note. First, further studies could examine other areas of Uganda, the study concentrated on Kampala central as the area of scope. Further studies carried out on the telecom sector could comprise of a wider are scope including other districts and regions.

Future researchers are hereby encouraged to purse the field of servicer recovery in the following ways;

Conduct a research study among other sectors such as Retail businesses, Transport and utility providers to validate the findings identified in this study. Also, the study focused only on customers who initiated a complaint. As such, it remains unclear whether customers initiating complaints respond to recovery efforts differently than customers receiving service provider's-initiated recoveries. Future research could investigate settings where service firms uncover and resolve failures before customers complain. Would such proactive practices create positive affect beyond customer satisfaction, such as customer "delight"? Further, the study suggests that service providers offering procedural and interactional fairness following failures may increase overall firm satisfaction and indirectly affect purchase intent. As such, it appears that fair policies and procedures, as well as courteous employee interactions, influence more enduring customer perceptions of overall firm satisfaction and purchase intent.

Finally, while our results help broaden our understanding of customer responses to service failures and recoveries, certain limitations is also of note. Several psychologically based individual difference variables, as well as one's propensity to complain, could affect the relationships in our model. For example, the relationships between Service recovery based on firm's fair treatment of customer complaints and customer satisfaction could be affected by a customer's assertiveness or aggressiveness (Richins, 1983).

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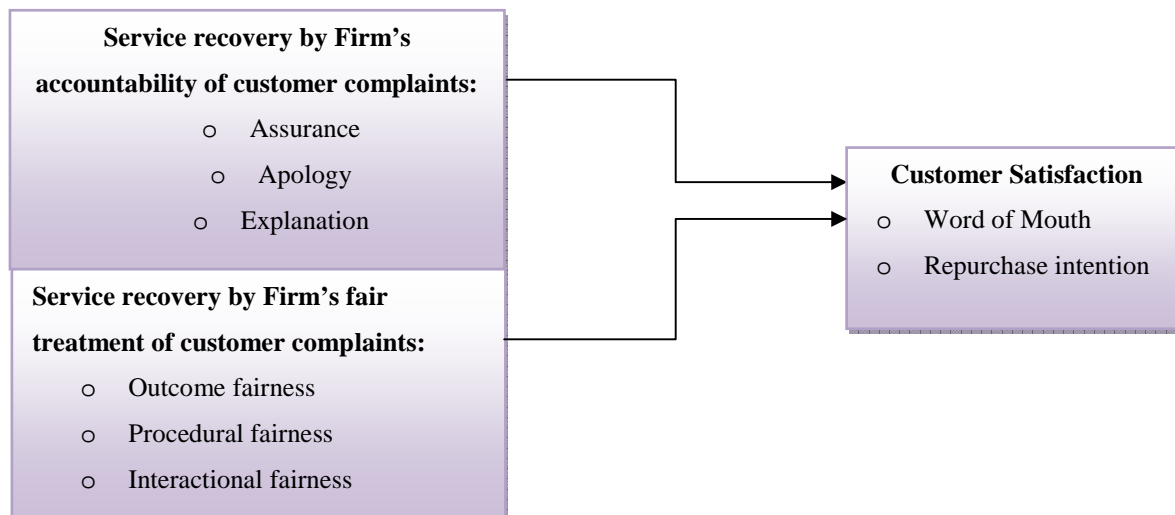*Figure 1: Conceptualized relationships among variables*

Table 1-Sample size and selection

Category of Respondents	Population [N]	Sample Size [n]
Clients in Nakawa	30	28
Clients in Kawempe	30	28
Clients in Makindye	30	28
Clients in Lubaga	30	28
Clients in Kampala Central	30	28
Grand Total	150	108

Table 2 - Sample size and selection

Category of Staff	Population[N]	Sample Size[n]
Administration	10	10
Technical	10	10
Customer Care	25	24
Front-line	40	36
Grand Total	100	80

Source: adapted from Krejcie & Morgan (1970) tables.

Table 3: Pearson's Correlation Matrix (Zero-order Correlation)

CORRELATIONS		Service Recovery Based On Firm's Understanding Of Customer Complaints (N=140)	Service Recovery Based On Firm's Fair Treatment Of Customer Complaints (N=140)	Customer Satisfaction (N=140)
Service Recovery Based On Firm's Understanding Of Customer Complaints (N=140)	Pearson Correlation (P-value)	1.000	.721** (.000)	.640** (.000)
Service Recovery Based On Firm's Fair Treatment Of Customer Complaints (N=140)	Pearson Correlation (P-value)	.721** (.000)	1.000	.683** (.000)
Customer Satisfaction (N=140)	Pearson Correlation (P-value)	.640** (.000)	.683** (.000)	1.000
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Field Data

Table 4: Coefficients

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	7.574	2.356		3.214	.002	2.914	12.234
	Service Recovery Based On Firm's Understanding Of Customer Complaints	.210	.059	.307	3.573	.000	.094	.325
	Service Recovery Based On Firm's Fair Treatment Of Customer Complaints	.338	.063	.462	5.367	.000	.213	.462
Dependent Variable: CUSTOMER SATISFACTION								
R Square =.513 F Statistic = 72.031								
Adjusted R Square = .505 Sig. F Statistic = .000								
Predictors in the Model: (Constant), SERVICE RECOVERY BASED ON FIRM'S FAIR TREATMENT OF CUSTOMER COMPLAINTS, SERVICE RECOVERY BASED ON FIRM'S UNDERSTANDING OF CUSTOMER COMPLAINTS								

Source: Field Data