

Appraisal of Customer Satisfaction with GSM Services in Dutsin-Ma, Katsina State, Nigeria

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Abstract

This study appraised customer satisfaction with General System Mobile Communication (GSM) services in Dutsin-ma, Katsina state, Nigeria. The study employed survey method and used questionnaire as the instrument for data collection. The analysis was done using inferential statistics. Specifically, regression statistic test was used and analyzed using (SPSS 19.0). The study revealed that; customers were not satisfied with the customer care services provided by GSM operators in Dutsin-ma. The study recommends that operators should invest heavily in human capital development by way of hiring quality staff and organizing training programmes for their employees, and they should also purchase state of the art equipment (since most of their services are equipment based) to respond to and address customers complaints timely and accurately. It was also recommended that the regulatory bodies (Nigerian Communications Commission and others) should establish toll free hot lines through which subscribers can directly lodge their complaints promptly and can be addressed properly.

Keywords: Customer Satisfaction, Service, Customer Care, Dutsin-ma.

1. Introduction

Services are becoming increasingly more important in the competitive environment of both firms and countries. Globalised competition has the strategic importance of satisfaction, quality and consequently loyalty, in the battle for winning consumer preferences and maintaining sustainable competitive advantages. In the service economy especially, these prove to be key factors reciprocally interrelated in a causal, cyclical relationship. The higher the perceived service quality, the more satisfied and loyal the customers are (Petruzzellis, D'Uggento & Romanazzi, 2006).

History was made in the socio-economic life of Nigeria in August 6th, 2001 when Econet Wireless Nigeria, (now Airtel) became the first company to launch commercial General Service Mobile (GSM) services in Nigeria. Other GSM services providers such as MTN, Globacom and Etisalat subsequently followed suit respectively (Ndukwe, 2005). With the launch of their services, Nigerians were delighted and full of expectations of a break from the bitter past, to improved services, improved business transactions and, generally, expectations of improved socio-economic well-being. However, the extent to which these expectations have been met requires investigation.

This study therefore, examined the level of customer satisfaction among GSM services provided by MTN, Globacom, Airtel, and Etisalat in Dutsin-ma, Katsina state.

Experts observe that consumers of telecommunication product and services in Nigeria are quite varied in their attitudes, tastes, needs and expectations (Ndukwe, 2008). Arguably these differences explain, in part, the reasons why all of us do not subscribe to the same networks.

In the past few years, consumers of telecommunication services in Nigeria as (Shehu, 2008) acknowledged were the privileged few endowed with the economic power to enjoy telecommunication services. This was the period characterized by few but highly expensive available lines so that the choice of a telephone service provider was apparently, a matter of having the money and choosing whichever operator was available. However, analysts and even the most casual observers agree that the situation is quite different from what it used to be (Ajayi, 2006). Currently, there are not less than five different GSM service providers in Nigeria, all of which are operating in Dutsin-ma, Katsina State. Consequently, apart from basic telecommunication services, these operators also offer varied services and enticements to attract and keep customers. So that unlike before, consumers now evaluate, sometimes critically, these varied offerings before selecting a provider (Ajayi, 2006).

The introduction of GSM services and the resulting intense competition among the providers in Nigeria has brought several benefits to the populace. These benefits include improved business transactions, improved

socio-economic life, and greater access to communication (teledensity). Ndukwe (2005) opined that in spite of the above benefits, GSM service provision in Nigeria is currently being confronted with a number of problems among which are poor interconnectivity between major networks, large number of dropped calls, poor customer service, diverted calls to voice mail, subscribers inability to recharge their phones promptly, large number of uncompleted calls, customers being wrongly charged for calls not made, poor coverage of some cities, failure of services for hours and even days sometimes. A number of studies have been conducted to examine several factors that could inform consumers' patronage of one service providers, especially GSM operators, over another. For instance, Maria and Osagie (2007) investigated the influence of intensity of advertisement on consumer choice of GSM service providers while Ajayi (2006) studied the influence of the intended primary usage of GSM service on consumer patronage of operator. Similarly, Saeed and Arshard (2008) studied corporate branding and consumer purchase of telecommunication service and concluded that corporate branding serves as the main source of communication to customers and has little to do with customer purchase decision; Vincent and Zhu (2008) identified interactive ability, service quality, guest satisfaction and travel agency image, as some of the factors affecting customer choice of travel agency for tourism. This study thus, examined the extent of customer satisfaction with customer care services provided in Dutsin-ma, Katsina State. The following hypothesis is stated customer satisfaction has no significant effect on customer care service of GSM services in Dutsin-ma, Katsina State.

2. Literature Review

Satisfying customers is one of the main objectives of every business. Businesses recognize that keeping current customers is more profitable than having to win new ones to replace those lost. Management and marketing theorists underscore the importance of customer satisfaction for a business's success (McColl-Kennedy & Schneider, 2000; Reichheld & Sasser, 1990). Accordingly, the prestigious Malcolm Baldrige National Quality Award recognizes the role of customer satisfaction as the central component of the award process (Dutka, 1993). Some recent statistics demonstrate the benefits of good customer satisfaction and the costs of poor customer satisfaction on businesses. Good customer satisfaction has an effect on the profitability of nearly every business. For example, when customers perceive good service, each will typically tell nine to ten people. It is estimated that nearly one half of American business is built upon this informal, "word-of-mouth" communication (Gitomer, 1998; Reck, 1991). Improvement in customer retention by even a few percentage points can increase profits by 25 percent or more (Griffin, 1995). The University of Michigan found that for every percentage increase in customer satisfaction, there is an average increase of 2.37% of return on investment (Keiningham & Vavra, 2001). Most people prize the businesses that treat them the way they like to be treated; they will even pay more for this service.

However, a lack of customer satisfaction has an even larger effect on the bottom line. Customers who receive poor service will typically relate their dissatisfaction to between fifteen and twenty others. The average American company typically loses between 15 and 20 percent of its customers each year (Griffin, 1995). The cost of gaining a new customer is ten times greater than the cost of keeping a satisfied customer (Gitomer, 1998). In addition, if the service is particularly poor, 91% of retail customers will not return to the store (Gitomer, 1998). In fact, if the service incident is so negative, the negative effects can last years through repeated recollection and recounting of the negative experience (Gitomer, 1998; Reck, 1991).

The message is obvious - satisfied customers improve business and dissatisfied customers impair business (Anderson & Zemke, 1998; Leland and Bailey, 1995). Customer satisfaction is an asset that should be monitored and managed just like any physical asset. Therefore, businesses that hope to prosper will realize the importance of this concept, putting together a functional and appropriate operational definition (McColl-Kennedy & Schneider, 2000). This is true for both service-oriented and product-oriented organizations (Sureshchander, Rajendran, & Kamalanabhan, 2001).

Services are less materially based. In fact, Bateson (cited in Sureshchander, Rajendran, & Kamalanabhan, 2001) noted that there is one major distinction between a service and a product. This differentiation is the intangible nature of a service – it cannot be touched, held, and so on. Another difference is the issue that consists primarily of social interactions or actions (Berry, 1980). The consumption of a service involves the interaction between the producer and the consumer. Also, services are produced and consumed simultaneously (Carman & Langeard, 1980). Services might include computer repair, automobile sales, or the attendance of a server at a restaurant. Delivering quality service is a business necessity (Cullen, 2001).

Kotler (2003) asserted that whether the buyer is satisfied after purchase depends on the offer's performance in relation to the buyer's expectation. In general, Kotler (2003) argued that satisfaction is a person's feeling of pleasure or disappointment resulting from comparing products, perceived performance in relation to his or her expectations. The question therefore, includes what bases are there for evaluating consumer satisfaction and how can this satisfaction be measured?

The customer satisfaction-retention link has received more attention among marketing and management

practitioners and academics. Customer satisfaction has long been regarded as a “proxy” for firm success since it is inextricably linked to customer loyalty and retention.

Several authors (Bloemer & Lemmink, 1992; Bloemer & Kasper, 1995; Sharma & Patterson, 2000) highlighted, however, that the link between customer satisfaction and customer retention is reliant, to some extent, upon other factors such as the level of competition, switching barriers, proprietary technology and the features of individual customers. The relationship between these two key constructs is considered to be far more complex than it might first seem (Fournier & Mick, 1999).

Satisfaction has a significant impact on customer loyalty (Sharma & Patterson, 2000) and, as a direct antecedent, leads to commitment in business relationships (Burnham et al., 2003), thus greatly influencing customer repurchase intention (Morgan & Hunt, 1994). Indeed, the impact of satisfaction on commitment and retention varies in relation to the industry, product or services environment.

One model of measuring customer satisfaction that has received considerable attention in the service industry is the Met-Expectations Model. This is also known as the Discrepancy Model, Disconfirmation of Expectations Model, or Gap Model for Managing Quality (Parasuraman, Berry, & Zeithaml, 1985, 1993). The basic premise of the model is that quality can be defined by the differences between the customer and the organization in terms of service quality (Parasuraman, Berry, & Zeithaml, 1985). This is true of perceptions, expectations, and actual service delivery from the two perspectives. These differences, or gaps, can be used to identify the relative strengths and weaknesses in service quality of an organization (Grapentine, 1999). Furthermore, this provides a measure of performance quality in an area that has been more difficult to operationalize (Patti, 1987).

The Met-Expectations Model of Customer Satisfaction is based upon a framework of five potential service quality gaps (Parasuraman, Berry, & Zeithaml, 1985). The first four are those on the provider side of service. The fifth relates to the customer side of service.

The Met-Expectations Model of customer satisfaction has been applied in a wide variety of service settings. These have included library usage (Cullen, 2001), tourist services (Swan & Bowers, 1998), public health services (Bryant, Kent, Lindenberger, Schreiher, Canright, Cole, Uccellani, Brown, Blair, & Bustillo-Hernandez, 1998), medical and dental services (Taylor & Cronin, 1994), and human services (Selber & Streeter, 2000).

Stanton (2000) offers four (4) methods through which companies can use to track and measure customer satisfaction, they includes; Complaints and Suggestion System, Customer Satisfaction Survey, Ghost Shopping, and Lost Customer Analysis: Companies should contact customers who have stopped using their product or service to learn why this happened.

3. Methodology

Survey research design was used to source information about the people in Dutsin-ma. According to Asika (2005) survey design is most appropriate for gathering information that will enable a researcher describe the characteristics of a large population. Hence, in order to determine the nature of the subject of this study, survey research design was adopted. Large cross sectional samples of the population were chosen without being manipulated or controlled and data collected were studied and analyzed. The main variable of satisfaction that were measured in relation to customer satisfaction with GSM operators are: customer care services provided by GSM service providers. Hence, the relationship between the dependent variable and the independent variable was expressed. Customer satisfaction (dependent variable) and customer care services (independent variable).

$$CS = f(CCS) \quad (1)$$

Where: CS = Customer Satisfaction

CCS = Customer Care Services

The population of the study consists of the subscribers of GSM services offered by all the GSM services providers operating in Dutsin-ma Town (Headquarter) who must be at least eighteen years old; male or female, and is a customer to at least one service provider in the area of the study. The sample of the study was divided into clusters based on geographical distribution of the population. Dutsin-ma town is divided into two clusters based on Wards i.e. Dutsin-ma 1 and Dutsin-ma 2. Thirty eight (38) respondents were purposively selected from each of the wards, making it a total of 76 respondents sampled for the study. Sixty three (63) out of 76 questionnaire administered on respondents were completed and returned, thus, achieving 83% response rate. The random selection of the respondents was accomplished by distributing the questionnaire to the available people. However, an attempt was made to achieve gender balance in the random selection of the respondents. This sampling technique is similar to the two-stage stratified sampling method used by Olatokun and Bodunwa (2006).

Questionnaire was employed for data collection and the questionnaire was structured in form of close-ended multiple choice questions. The questionnaire was designed to measure the key variable in the research namely: Customer care service provided by GSM services providers. A 5-point Likert type rating scale was used in measuring responses to the questions; hence, the data were categorized and scaled nominally to help the

researcher determine customer's satisfaction with customer care service provided by GSM service providers. The technique of data analysis adopted for this study is inferential statistics. Simple Regression was used to determine the relationship between customer satisfaction and customer care services. Customer satisfaction was regressed on customer care services using the researcher's model. The model is presented below:

$$CS = b_0 + b_1CSC + e_i \quad (2)$$

Where: CS = Customer Satisfaction

b_0 = Intercept

b_1 = Parameter of Regression Model

CSC = Customer Service Care

e_i = Error Term

The estimation of the coefficients of the model was done using statistical package for social sciences (SPSS 19.0) in order to test its robustness.

4. Results and Discussions

Table 1: Regression Estimates

	CS	CONSTANT	CCS
Beta Coefficient	-	10.903	0.076
Adjusted R ²	0.10	-	-
Std error		1.270	0.158
F ratio	4.354 (0.045)	-	-
t-statistic	-	-	.595 (0.554)
DW Statistic	1.471	-	-
Coll. VIF	-	-	1.036
N	63	63	63

Source: SPSS Output

Table 1 shows that about 10% of the variation in customer satisfaction level in Dutsin-ma can be attributed to customer care services. The significant F-ratio of 4.354 at 5% confirms that coefficients are not equal to zero. Durbin-Watson (DW) statistic of 1.471 which is greater than zero confirms non-auto-correlation of residual variables.

Test of Hypothesis

A linear positive relationship exists between customer satisfaction level and customer care service as it is confirm by regression coefficient of 0.076. The t-ratio of 0.595 is not significant which means that customer care service is a very weak determinant of customer satisfaction in Dutsin-ma, Katsina State. The study therefore accept the null hypothesis which states that there is no significant relationship between customer care service and customer satisfaction level in Dutsin-ma , Katsina State.

5. Summary, Conclusion and Recommendations

This study assessed customer satisfaction with customer care service provided by GSM service providers in Dutsin-ma. Regression technique was employed in the analysis of the data collected for the study. Consequent to the data analysis, the findings of the research are summarized as follows:

The investigation revealed that customers were not satisfied with customer care service provided by GSM operators, it is concluded that the expectation of the researcher is met. Although, some respondents were satisfied with customer care service, the finding showed that the majority were not satisfied with the service.

Based on the foregoing finding, it was concluded that, GSM subscribers in Dutsin-ma were not satisfied with customer care services provided by GSM operators, though, some of the customers were satisfied with the services but majority were not, as such , more effort are required by the GSM operators to tackle the issue urgently.

Consequent upon the above conclusion, the following recommendations are hereby offered: The operators should invest in quality hiring and training programmes for their employees and should also purchase state of the art equipment (since most of their services are equipment based) to respond to and address customers complaints timely and accurately.

Finally, the regulatory bodies (Nigerian Communication Commission and others) should establish toll free hot lines through which subscribers could directly lodge their complaints which would then be promptly and properly addressed while appropriate actions be taken against erring operators.

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