

# Factors Affecting Levels of Customer Satisfaction in Government Parastatals in Kenya (A Case of Kenya Power)

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## Abstract

The purpose of the study is to investigate the levels of customer satisfaction in Government parastatals with specific focus to the Kenya Power as a case study. The study was guided by the following specific objectives: to assess the effects of automation of electricity and its effects on the levels of customer satisfaction in Kenya Power; to analyze the time taken to contract for the supply of electricity on levels of customer satisfaction in Kenya Power; to evaluate the effects of quality of supply of the electricity on the level of customer satisfaction in Kenya Power; to examine effects of accuracy of the monthly electricity bills on the level customer satisfaction in Kenya Power; and to evaluate the effect of outsourcing on the level of customer satisfaction in Kenya Power. The study is descriptive in nature, and to look into the processes of acquiring electric power energy. It was also looking into the interaction between Kenya Power staff their customers and other stakeholders in endeavors to maintain the service. Kenya Power is charged with the responsibility of distributing and retailing cost effective electric power energy in the Republic of Kenya. Where quality of services and customer relations are emphasized. Therefore, the study will involve a background into the problem, review the related literature and, gather data using questionnaires and interviews administered to a stratified sample of Kenya Power employees and customers of Nyeri town region. The study will be envisaged to benefit the Kenya Power through, ascertaining the staff development in career progression and other motivational principles. For instance; Storey, 1995 argued that; Human Resource Management is a distinctive approach to employment which seeks to obtain competitive advantage through the strategic deployment of a highly committed and skilled workforce, using an array of cultural, structural and personnel techniques, which may affect service delivery adversely if staff morale is low. The customers will also derive improved efficient services thus, getting value for their money after Kenya Power implements the recommendations of the study. In addition the Government of Kenya, will broaden its tax base, as improved services will bring efficiency and additional customers at a faster pace which will also, be a boost to achieving the objectives of Vision 2030. The public will also benefit through creation of employment, as rapid brings development through industrialization which uplifts the standards of living.

**Keywords:** Customer satisfaction, Government Parastatals, Kenya Power, Total quality management

## ABBREVIATIONS AND ACRONYMS

CS	Customer Service
DC	Disconnection
DCS	Design and Construction system
EAP&L	East African Power and Lighting Company Limited
EAPLC	East Africa Power Lighting Company Limited
ERC	Energy Regulatory Commission
HHS	Hand Held Set
IBEA	Imperial British East African Company
ICS	Integrated Customer Service
ICT	Information Communication & Technology
KENGEN	Kenya Generating Company Limited
KPLC	Kenya Power and Lighting Company Limited
KP	Kenya Power
LP	Large Power
LPG	Liquefied Petroleum Gas
LR	Land Registry number of Ministry of Lands
MD	Managing Director
MW	Mega Watts
O & M	Operations and Maintenance
PIN	Personal Identification Number issued by the Kenya Revenue Authority
PRN	Plot Reference Number
RC	Reconnection

R & D	Research and Design
REP	Rural Electrification Programme
RPU	Revenue Protection Unit
S.L.	Service Line
S.O.	Service Order
SRN	Service Reference Number
SPSS	Statistical Package of the Social Sciences soft ware
TQM	Total Quality Management

### Definition of Key Terms

**Connectivity:** completing the actual act of processing “electricity supply contract applications forms” of the prospective applicants and connecting their premises with electric supply

**National Grid:** the infrastructure of KP electrical cables from generating stations ultimate consumers

**Region:** KP has demarcated Kenya into four regions administratively i.e. Nairobi, Coast, Mount Kenya and West Kenya.

**Sub Regions:** Regions are further demarcated into smaller administrative units headed by a Regional Manager and called sub regions. Nyeri Town is one of the sub regions within Nyeri Region.

**Vision 2030:** is an economic development plan by the Kenyan government to develop several different economic zones in various parts of the country.

## 1.0 INTRODUCTION

This chapter covers the background of the study, statement of the problem, objectives of the study, research questions, significance and scope and limitation of the study.

### 1.1 Background of the study

Customer service is defined as activities and programmes provided by the seller to the buyer to make the relationship a satisfying one. It is an activity or benefit that one party offers to another, which is, essentially, intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical item. Variability of services is dependent on who provides them and when they are provided. (Armstrong *et al*, 1999). Customer satisfaction is a dynamic concept as it changes at a very fast rate. The customer satisfaction includes machinery put in place by an organization to ensure that its processes and operations are efficient and effective. The primary functions of Kenya Power are distribution and retailing of the electric power energy countrywide. This calls for a dynamic environment in terms of placement of staff competencies, automation and outsourcing of its functions to achieve the organizational objective. Kenya Power at all times, need to monitor and improve the levels of customer satisfaction. The higher the customer satisfaction, the higher the retention of customers as service delivery levels of an utility firm such as, Kenya Power are dictated by cost effective tariffs and quality supply of the service.

The public and consumers’ of electric energy have made adverse observations in the recent past on various forums including, media on the deteriorating standards of the services offered by Kenya Power. The complaints range from contracting bureaucracies, quality of supply, accuracy of the monthly billings, effects of outsourced services and mechanism put in place to resolve customer complaints. This has been a major concern to all the stakeholders.

Any negative remarks from customers’, related to quality of services is a direct pointer that; the levels of customer satisfaction of the organization is wanting and, it requires immediate addressing. There has been a general disaffection from the public through media and, other forums on the quality of service offered by Kenya Power (*Daily Nation of 4<sup>th</sup> January 2010 p133*). This is not an isolated complaint but hardly a week elapses before several similar complaints feature in the media.

#### 1.1.1 Kenya Power Background

The Kenya Power (KP) is a public utility firm. The CAP 314 Energy Act, Number 12, governs it. The core business of the organisation is to transmit, distribute and retail electric power energy to the ultimate consumers’ in the Republic of Kenya. KP is a public company and is listed at the Nairobi Stock Exchange since 1954. Its shareholding portfolio is distributed as 51% Government of Kenya and 49% private. The evolution of KP can be traced at the turn of twentieth century when Nairobi and Mombasa were both supplied by two separate electric

power entities under the names of Nairobi Electric Power Company and, Mombasa Electric Power Company respectively. The two entities merged in 1922 and formed East African Power & Lighting Company Limited (EAPLC). The Company was incorporated under the then British East Africa colonial government and, its shares listed in the London Stock Market.

By February 1970, KP then known as East African Power and Lighting Company (EAP&L) had completed 50 years of involvement of power supply in the economy of Kenya. In July 1970, the Kenya Government acquired 93 per cent of the Company's stock in London, which constituted 39 percent of the total stock of the company. This was in accordance with the Governments declared intention of influencing the policies of major private industrial enterprises through partnership. The government's goal by acquiring shares of EAP&L were to; expand electricity supplies country wide, train local manpower for Kenyanization of the industry, and to provide an efficient public service to the economy and the country. In September 1974 the then, EAP&L commissioned Mr. Charles Hayes to write a chronology how the firm evolved from foreign owned to the first two decades of independence – (*Stima – An informal history of EAP& L 1983 by Charles Hayes*). Marjorie Oludhe Macgoye updated the manuscript.

In 1995, the Generation Division of KP was hived off and Kenya Generating Company (KenGen) brought on board. A similar scenario was replicated in 2007 and 2009 when, the companies divisions charged with Rural Electrification and Transmission were hived. As a result Kenya Rural Electrification Company and Transmission Company of Kenya were both enacted as separate entities respectively. Then, Kenya Power and Lighting Company (KPLC) it re-branded in 2011 changing its name to Kenya Power (KP). The aims of these re-branding and changes were to ensure that concentration on core business of managing electric metring, licensing, billing, emergency electricity service, and customer relations; and, specialization were embraced to improve on the quality of services offered to KP customers.

### **1.1.2 Characteristics of the services**

Today, the mission of Kenya Power is to efficiently transmit and distribute high quality electricity though out Kenya at cost effective tariffs; to achieve the highest standards of customer service; and to ensure the company's long-term technical and financial viability. The vision is to achieve excellent status as a quality service business enterprise to be the first of electric energy in a competitive environment. For a prospective customer to be supplied with electric power energy service by Kenya Power is a bureaucratic process involving, documentation, time and cost. The documentation is tedious and has several bottle necks depending with the demographic location of the premises.

If the premises' is located in an urban area, where the service is existing then, this may be easier as one will be required to pay Kenya shilling 2,500.00 as deposit. If it is a newly built premises situated less than six hundred meters from power lines then one is required to pay Kenya shillings 35,000.00. If the distance is more than 600 meters one would pay much more as it will depend with the survey carried out. The survey will determine the route where the infrastructure will follow and an appropriate quotation will be accorded to cover the costs of constructing the lines plus, a transformer if necessary.

The duration of the whole process is never certain. It may take from several days to several months, and even years. This will depend with the location of the premises vis-à-vis the proximity of the power lines and cooperation of the neighbours. This is if the power infrastructure as per the survey is earmarked to pass on the latter's land.

The following documents must be completed and submitted for a prospective customer to contract; KP Contract Supply form must be completed accompanied with; Kenyan National Identity Card or, Pass port or, a certificate of incorporation (in case of registered entities), Person Identification Number (PIN) Certificate from Kenya Revenue Authority and last, a wiring certificate confirming that the electrical installation was done by a registered firm

If the location of the premises is not within an urban centre which has an existing supply of electricity or, six hundred meters from nearest electricity pole, the connectivity may take even longer as consent of way leaves must be obtained from owners of the land where the infrastructure is expected to pass. The cost of the transformer and other overheads associated with the infrastructure are also passed over to the prospective customer(s).

The duration of processing contract documents and connectivity is never certain due to the internal bureaucratic

factors. The application is lodged at the commercial office. The application is then forwarded to Design and Construction department for appraisal and quotation. The quotation is then sent back to the customer. If the customer pays the quoted amount, finance advises Design and construction and Stock and Stores through Work flow to release the materials. This process is never straight as indicated above as it involves several departments and, some of the functions are out sourced to cope with the workload. This lapse is never taken kindly by most of the prospective customers.

The billing system of KP after connectivity has its own short falls. First, the installed meter has to be created in the Integrated Customer Service (ICS) billing system and be captured in the relevant Hand Held Set (HHS) itinerary. If this is not done immediately, the customer is billed several months in arrears, which may cause dissatisfaction. The second problem of billings, relate to inflated estimate readings as opposed, to the actual meter readings. This occurs as Meter Readers have daily targets which must be achieved.

The quality of electric energy supplied is also affected adversely by rationing, unexplained power surges and other scheduled and unplanned power supply interruptions. Almost over 70% of Kenya's power supply is generated using water from the dams thus, it is hydro based. Due to global warming and other environmental factors, lack of rain to fill the dams has affected the quality of supply adversely in the recent years resulting to rationing.

KP has made efforts to address the above challenges by outsourcing some of its services. It is an acknowledged fact that, delivery of any service is solely the responsibility of the concerned organization through the staff employed to handle the various responsibilities. Part of the function if outsourced may be automated. That is how technology has dictated that services be offered in the 21<sup>st</sup> century. Irrespective of the mode of the service, to monitor its quality and resolve any issues, customers or users, are obliged to interact with the actual "Principal Service Provider" from time to time and appraise the service.

Most firms pay more attention to their market share than to their customers' satisfaction. This is a mistake. Market share is a backward looking metric; customer satisfaction is a forward looking metric. If customer satisfaction starts slipping, then market share erosion will soon follow. Companies need to monitor and improve the level of customer satisfaction. The higher the customer satisfaction, the higher their retention due to the following facts as service delivery is quality: acquiring new customers can cost 5 to 10 times more than the cost involved in satisfying and retaining current customers this is in terms of; capital acquisition overheads of the construction of the infrastructure i.e. the electrical lines and transformers to connect to the national grid.

There are also promotional campaigns to woo back customers who have relocated in other countries within the region. The average company loses between 10 and 30 percent of its customer each year e.g. disaffected customers opting for generators, solar panels and other alternatives of electric energy.

A 5 percent reduction in the customer defection rate can increase profits by 25 to 85 percent, depending on the industry the margin is higher especially in the public utility due to its monopolistic features. The customer profit rate tends to increase over the life of the retained customer, and research indicates that for every complaint expressed 25 are unregistered.

## **1.2 Statement of the problem**

Despite the Morden facilities and advantages that KP seems to have customer complains which never cease to exist, this complains comes in the form of letters to the management, complains through the media and also at suggestion boxes available at KP offices. Some of the complaints from customers include poor staff attitudes, slow response to complaints, persistent power black outs, slow response to phone calls, slow responses to emergencies and non-adhere to service level agreements. Customer satisfaction is a very dynamic concept as it changes at a very fast rate. The customer satisfaction includes machinery put in place by an organization to ensure that its processes and operations related to service delivery meets the expectations of the customers in terms of quality, efficiency and effectiveness.

The primary functions of KP are to distribute and retail electric power energy to consumers country-wide. This calls for a dynamic environment in terms of placement of staff competencies, automation and outsourcing of its functions to achieve the organizational objective. The contracting process to acquire electric power energy has been bureaucratic, the company has experienced rationing of the electricity supplied thus compromising quality, meter readers have been estimating readings in the field and, the result is inaccurate bills are sent to customers. Lastly, the outsourced services have also not addressed their core responsibilities adequately and all these factors

have been the main causes affecting customer satisfaction adversely. The study is intending to establish the effects of contracting process, quality of supply, accuracy of billing, automation and out sourcing processes and, how it affects levels of customer satisfaction.

### **1.3 Objectives of the study**

The study was guided by one general objective and five specific objectives.

#### **1.3.1 General objectives**

The study found out the factors affecting levels of customer satisfaction at the Kenya Power.

#### **1.3.2 Specific objectives**

- (i) To assess the effects of automation of electricity and its effects on the levels of customer satisfaction in Kenya Power.
- (ii) To analyze the time taken to contract for the supply of electricity on levels of customer satisfaction in KP.
- (iii) To evaluate the effects of quality of supply of the electricity on the level of customer satisfaction in KP.
- (iv) To examine effects of accuracy of the monthly electricity bills on the level customer satisfaction in KP.
- (v) To evaluate the effect of outsourcing on the level of customer satisfaction in KP.

### **1.4 Significance of the study**

The findings of this project would help Kenya Power appraise levels of its customer satisfaction. For any organization to remain relevant and competitive this, is an area which cannot be ignored.

One may assume that KP is a monopoly and does not face competition but, that concept is misplaced as monopolies exist only if the product they sell has no close substitutes. Substitutes to electric power energy are Liquefied Petroleum Gas (LPG), Solar panels, generators and bio gas.

The various tariffs levied for the services offered by KP are regulated by Energy Regulatory Board(ERB) which is a body appointed by the Ministry of Energy to supervise the electric power sector. Due to globalisation, investors today have many options on, where to locate their factories as countries are forming economic blocks for instance: COMESA, ECOWAS, EAC and others all as regional markets. For investors to derive optimum opportunity cost, they will opt for where cost of manufacturing is lowest. Electricity is a major overhead in production of goods and services; so if the tariffs are high or quality of supply is unreliable, investors will definitely shy away from such countries. This is a very strategic sector as it plays a vital role for development of any country and hence, levels of its customer satisfaction cannot be assumed.

The country has in the past relied on hydro for seventy percent of its power needs but poor rains have seen Kenya rely on thermal power generation, which is expensive and hazardous to environment. Kenya Power Supply System has a capacity of about 1300MW against a current demand of 1170MW. Hydro power sources contribute 720MW of this while 163MW is from geothermal and 407MW is from thermal sources. It costs investors \$1million to put up a diesel power plant, and \$3million in a wind plant, generating same capacity in Kenya. The cost of electricity generated from the latter is however a third of what is generated by the thermal plant. (Financial Journal, 19th Jan 2010, p5)

The study was envisaged to benefit the Kenya Power through, ascertaining the staff development in career progression and other motivational principles for instance;(Storey, 1995) argued that; Human Resource Management (HRM) is a distinctive approach to employment which seeks to obtain competitive advantage through the strategic deployment of a highly committed and skilled workforce, using an array of cultural, structural and personnel techniques, which may affect service delivery adversely if staff morale is low.

The customers would also derive improved efficient services thus, getting value for their money after KP implements the recommendations of the study. In addition the Government of Kenya will broaden its tax base, as improved services will bring efficiency and additional customers at a faster pace, which will also be a boost to achieving the objectives of Visions 2030.

The public will also benefit through creation of employment, as rapid brings development through industrialization which uplifts the standards of living.

## **2.0 LITERATURE REVIEW**

### **2.1 Introduction**

This chapter outlines the literature review where it contains the theoretical framework and the conceptual



framework. The theoretical framework discusses:-customer service, customer service sectors, attitudes of staff vis-à-vis customer service delivery, general characteristics of the services like;(contracting, quality of supply, accuracy of the monthly billing, effects of outsourced services and mechanisms put in place to resolve customer complaints), role of technology in the service delivery and customer satisfaction facilities at Kenya Power .the conceptual framework discusses the variables and has the figure and also the gap.

## **2.2 Theoretical framework**

### **2.2.1 Customer services**

Understanding the Customer Service concept is one of the utmost priorities for many companies. Service is a valuable resource and, if customers do not receive the service they expect, they will go elsewhere (Graham,1999).(Daniels and Harris,2000;Smith *et al.*,2000;Finlayson,2003) According to them they mentioned that; poor-time management, attitude, moodiness, and inability to handle stress, insufficient authority and also serving customers on 'auto pilot' basis served as barriers to excellent customer service. It is well established that satisfied customers are key to long-term business success (Kristensen *et al.*, 1992; Zeithaml *et al.*, 1996; McColl-Kennedy and Schneider, 2000). Companies that have a more satisfied customer base also experience higher economic returns (Aaker and Jacobson, 1994; Bolton, 1998; Yeung *et al.*, 2002). High consumer satisfaction leads to greater customer loyalty (Yi, 1991; Anderson and Sullivan, 1993; Boulding *et al.*, 1993) which, in turn, leads to future revenue (Fornell, 1992; Bolton, 1998). Organizations having superior service quality have been found to be market leaders in terms of sales and long-term customer loyalty and retention (Anderson and Sullivan, 1993; Boulding *et al.*, 1993; Eklof and Westlund, 2002). Because of this, organizations competing in similar market niches are compelled to assess the quality of the services they provide in order to attract and retain their customers.

Customers' expectations are derived from their own accumulation of contacts with services provided them in all walks of life. From such contacts customers accrue a generalized service expectation or standard based on their day-to-day history as customers. Kenya Power is a public utility firm, which provides a basic need to the public and, the economy of the Republic of Kenya generally. Electric power energy is a commodity which is a pre-requisite for; uplifting the living standards of the public when used domestically and, it accelerates economic development of the economy if put to commercial use.

For such an important service which is a life necessity, provision for its service delivery is neither negotiable nor, can it be assumed. Customer service is accorded priority to market share because if the former is neglected, it is very easy to lose the latter as it is composed of customers.

There is a global commitment in recent times to achieve 'Superior Customer Performance' as, no organisation is perfect. Contracting for the supply of electric power energy to the national grid should be made as straight forward as possible. The service should also be availed at cost effective tariffs and be of good quality. Servicing the utility should also be made as easy as possible, estimated bills, coupled with congested commercial offices are to be addressed in the study. To gain competitive advantage and achieve optimum benefits from staff, KP employees should be orientated in customer service. This study will be used to improve the efficiency of processes for delivering the service.

Acquiring new customers can cost 5 to 10 times more than the cost involved in satisfying and retaining current customers this is in terms of; capital acquisition overheads of the construction of the infrastructure i.e. the electrical lines & transformers to connect to the national grid. There are also promotional campaigns to woo back customers who have relocated in other countries within the region. The average company loses between 10 and 30 percent of its customer each year {e.g. disaffected customers opting for generators, solar panels and other alternatives of electric energy}. A 5% reduction in the customer defection rate can increase profits by 25 to 85 percent, depending on the industry the margin is higher especially in the public utility due to its monopolistic features.

### **2.2.2 Customer service factors**

Customer Service is a performance which; cannot be seen, touched, tested or smelled nor can it be possessed. The intangible process characteristics that define services such as reliability, personal care, attentiveness of staff and their friendliness can only be verified once a service has been brought and consumed. People do not always perform consistently and, thus variations from one service to the other within the same organisation (Dibb, 2001). Most firms pay more attention to their market share than to their customers' satisfaction. This is a mistake. Market share is a backward looking metric; customer satisfaction is a forward looking metric. If customer satisfaction starts slipping, then market share erosion will soon follow (Kotler, 2003).Quality customer service

delivery begins with establishing clear, concise observable and realistic service standards that are precise in meaning, short and to the point, can be seen or measured, practical and attainable (Martin, 1997).

Six factors are imperative to customer service; senior management commitment, a customer focused culture i.e. all employees focus their full attention on customer satisfaction, retention, information systems that track and analyze the root causes of defections, empowerment of frontline employees to take actions that provide immediate customer satisfaction, continuous training and development and incentive based on customer retention. (Richheld, 1997). The purpose of the organization is to create a mutually beneficial relationship between itself and those it serves.(Wood J. *et al.*, Best Practices in Customer Service,2005).The marketing concept that holds the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors. (Kotler, 1988)According to the marketing concept, an organization should try to satisfy the needs of customers or clients through a coordinated set of activities that, at the same time, allows the organization to achieve its goals. Customer satisfaction is the aim of the marketing concept. (Price and Farrell, 2001)The marketing concept calls on management and employees; (1) To be consumer oriented in all matters from product development to honoring warranties and service contracts, (2) To stress long term profitability rather than short term profits or sales volume, and (3) To integrate and coordinate all marketing functions and other corporate functions (Zikmund and Damico, 1989).

The marketing concept gives an insight as to why paying attention to customers and their needs is so important. Customers' needs may centre a-round work, family, recreation, entertainment, shelter, food, education, communication and transportation or some combination of these. It is important to remember that people never buy products or services. They always buy the benefits they expect to derive from the products or services. Benefits is not the product or service as an item but, what that particular item allows the customer to do to fulfill some need or solve a problem. Benefits' is what the customer pays for and what they value. Focusing on the delivery and improvements benefits is what gives one company a competitive advantage over another. The benefits can be divided into four categories, all of which, directly or indirectly involve customer service before, during, and after the sale; **Form:** the item is easy to use, attractive, durable, and so on; **Place:** where the item/ service is located is convenient; **Time:** item/ service is easy to buy and take ownership; **Possession:** item/ service is easy to buy and take ownership of.

### 2.3 Attitudes of staff vis-à-vis customer service delivery

The employees' attitude is very important in service delivery. For the staff to deal effectively with customers, organizations need to create customer-centered vision and customer friendly policies. (Zenke and Woods, 1998) noted ten common mistakes employees make with their customers; first they assume and take the customer for granted. Second they use jargon, expecting the customer to understand the lingo whereas, the customer may perceive this as being rude. Third, the employees speak fast that the customer has to ask her/ him to repeat. Fourth, they give short, slashed answers to customer's questions. Fifth they do not appear like they care to customers complains. Sixth, they are not proactive when a problem arises. Seventh employees are preoccupied with other tasks. Eighth, they interrupt or no longer listen, believing they know what the customer is asking. Nine they make judgments about the buying power of the customer based on his appearance, language, skills or company reputation. Ten employees argue with customers.

The following behavioral skills as argued by (Smith, 2009), Best Practices in Customer Service p62.): (i) How to create a plan to deliver great Customer Service will communicate to the customers that one values their business; (ii) Greet your customers putting them at ease and making them feel comfortable; (iii) Value your customers making them feel special; your attitude and behaviour must say, 'you are the customer; you pay my salary and you make my job possible.'; (iv) Ask how you can help them; a desire to genuinely want to know the customers' needs and wants gives an edge; (v) Listen to customers will enhance your understanding of what the customer really needs as well as make him feel valued; (vi) Help your customers by explaining the benefits of the products or services you are offering; (vii) Invite your customers back thanking the customer and letting them know you would like to see them or, hear from them again; (viii) Problem solving skills in understand them problems, identify the cause of the problem, discuss possible solutions and then, solve the problem; and (ix) Educating staff by communicating the focus and training the staff effectively.

## **2.4 General characteristics of the services**

Kenya Power is expected to offer quality service at cost effective tariffs. Prospective customers who wish to be connected to the national grid make formal applications by completing “electricity supply contract applications” at KP main regional commercial offices. Existing customers who are already on supply are billed on a monthly basis for the units consumed. The above processes may sound easy as stated, but that is not what transpires. Some of the practical experiences which have been witnessed in the past, raised concerns as they compromised levels of customer satisfaction. For instance; “uncertain connectivity duration”, there are indefinite delays to connect supply despite, a customer submitting the application and, paying the requisite fee, power surges or unexplained black outs which play against the principle of ensuring that electricity supply is of quality, reliable and constant, high estimated billings leading to contentious supply disconnections disputes between KP and the customers. Transacting at KP commercial offices is also not “user friendly” this is, due to the long queues and congestions by the large number of its customers. Commercial offices are very few as they are pegged to the four administrative regions of KP country wide.

Access to reliable, quality and cost effective electric power energy is a prerequisite to economic development of any country and, this is a fact which is recognized globally. The Government of Kenya has delegated the responsibility of providing electric energy country-wide to the KP; Electric Energy Act, Number 12 of 2006 Cap 314. All the sectors of the economy are driven by electricity. The economy of any country is classified as ‘Developed, Emerging or, Third world’ depending on how the electric power resource is spread to derive optimum benefits of the concerned economy. The success of providing electricity service lies with the KP officers’ who are charged with the responsibility of distributing and retailing the commodity to the ultimate consumers.

Industrialization, which turns emerging economies to ‘developed’, cannot be achieved without adequate electric power energy. The engine, which drives the economy, is backed by electric energy and Vision 2030, which is the Government of Kenya’s blue print heavily, depends on a serious electrification campaigns in urban and rural areas. Providing this service has been a challenge in the following areas; high cost of connectivity to the national grid, bureaucratic documentation when lodging application for the supply, congested KP banking halls which inhibit customers to transact, perceived high tariffs, power outages and rationing compromising quality of supply, long periods of waiting before connectivity after a prospective customer has applied, and, many other similar draw backs. Reliability refers to the ability to perform the promised service independently and accurately. Responsiveness reflects the willingness to help a customer and provide prompt service. Tangible refers to the appearance of the physical facilities, equipment, personnel and communication material. Empathy refers to caring, individual attention the firm provides its customer (Yong, 2000, p66).

### **2.4.1 Contracting**

Acquiring electric power energy service from KP is costly and may not be a very “user friendly” process. The documentation is tedious and has several bottle necks. If the customer is in an urban area where the service is already connected to the premises this may be a bit easier as one will be required to pay Kenya shilling 2,500.00 as deposit. If it is a newly built premises situated less than six hundred meters from power lines then one is required to pay Kenya shillings 35,000.00. If the distance is more than 600 meters one would pay much more depending, with the survey done and quotation. The duration of the whole process is never certain. It may take several days to several months, and even years.

KP Contract Supply form must be completed and then submitted with the following documents; Kenyan National Identity Card or, Pass port or, a certificate of incorporation {in case of registered premises} to be supplied ;is normally expensive and tedious if the place is not served within the national grid. This may involve seeking ‘way leaves consent’ consent if the electric poles and wires will pass through private land. The cost of the transformer and other overheads associated with the infrastructure is passed to the prospective customer. The ‘lead time’ taken to contract documents and, installing the electricity supply is never certain due to several challenges. The prospective customers never take this lapse kindly.

### **2.4.2 Quality of supply**

The quality of electric energy supplied is also affected adversely at times by rationing, unexplained power surges and other scheduled and unplanned power supply interruptions. Seventy percent of electricity supply is generated from dams, which rely on rain. Heavy dependence of rainfall as the source of production has adversely affected the quality of electricity supply. The “lead time” to install the electricity supply, reconnect when supply is disconnected or power surge is never certain despite having a corporate charter and, performance targets on these processes. The prospective customers never take this lapse kindly.



### **2.4.3 Accuracy of the monthly billing**

The billing system of KP after contracting has its several short falls. This has always been very contentious especially when estimated readings are used as a basis for the monthly bills. These readings may be out of range and are always the sources of disconnections which affect levels of customer satisfaction adversely. Some customers opt to resolve these disputes through litigations.

### **2.4.4 Effects of outsourced services**

The following outlets have been outsourced to enable customers pay their bills; National Bank of Kenya, Standard Chartered Banks ATM's, Coop Banks and Uchumi Supermarkets – have both dedicated counters strictly for KP customers, M-Pesa, Post Bank and Postal Corporation of Kenya (PCK). The system used for collection in these outlets is Local Collection Application (LCK) which is a replica of ICS but, offline. Note that collections made at PCK are still manual to date. The objective of outsourcing revenue collections is to decongest KP banking halls. The construction of power lines, and meter installation functions have also been outsourced. This is to augment the rate of connectivity.

### **2.4.5 Mechanism put in place to resolve customer complaints**

Service policies guidelines to take customer service to a new level from Booth (1999), employees should learn to think from a customer point of view and let customer know what to expect and when, they should plan for contingencies, listen and ask new customers how they heard about the organization. Total Quality Management (TQM) is a method by which management and employees can become involved in the continuous improvement of the production of goods and services. It is a combination of quality and management tools aimed at increasing business and reducing losses due to wasteful practices. TQM integrates all organizational functions (i.e. marketing, finance, production et al) to focus on customer needs and objectives. There is a public relations section in all the regions, which falls under customer service department. A call centre and emergency offices, which, are manned on a 24/7, are also in all the regions.

## **2.5 Role of technology in the service delivery**

Kenya Power has put in place the following systems to assist in service delivery:

**DCS:** Design & Construction System assists in construction of the new service lines before a customer is connected to the national grid.

**ICS:** Integrated Customer Service is the billing system, which updates the customers' monthly bill. It captures all the contract details of the customer and the premises for instance; LR (Land Registry Number), PRN (Plot Reference Number) and other details of the premises. KP has also put in place a control room in all of its four administrative regions to monitor any power surges. There is also a call centre in every region where customer complaints are handled round the clock i.e. 24/7. There is a workflow system put in place to process internal requisitions. The same system is used to process invoices for outsourced services and similar overheads.

## **2.6 Customer satisfaction facilities at Kenya Power**

Procedural and personal dimensions each of which contains seven areas of service standard also affect quality service delivery. The procedural dimensions involves the timing of the service, the flow of customers, the flexibility of systems, anticipation of customer needs, effective and efficient communication, customer feedback and the organization and supervision of the service.

The personal dimension involves appearance as perceived by the customer, body language and tone of voice, selling attentiveness, tact in handling activities, staff competency, skills and knowledge, facilities and procedures for handling complaints (Martin, 1997).

KP as a public utility firm charged with distribution and retailing of electric power energy has divided Kenya into four administrative units. The firm has six divisions i.e. Distribution, Commercial Services, O& M, Finance, R & D, and MD & CEO has Security, Internal Audit and Company Secretary. The divisions, which interact mostly with customers, are the first four and the study will concentrate on them. KP has several facilities to ensure that Service Delivery is attained. There is a whole department called Customer Service (CS), which is headed by a Customer Service Manager. This department falls under the Commercial Services Division. CS department has several sections notable ones, which this study is concerned with, are; Meter Reading, Billing of Customers, Marketing, Public Relations, Contracting of Accounts, Revenue Collection and Revenue Protection Unit (RPU). Most of the customer complaints fall in these sections. Eligibility to be a Meter Reader is a crafts certificate in electrical field but, today due to competition and, scarcity of jobs in the labour market most of the

meter readers are holders of diploma and above in their discipline. The main tool used in reading meters is Hand Held Sets (HHS). This is basically, a miniature electronic gadget, which has been programmed to captures thousands of accounts in a given locality (itinerary). The HHS is used to off load the all days readings in electronically in the system. Most of them also undergo training in motor cycling skills.

## 2.7 Conceptual framework

Several factors may affect service delivery from the customer's point of view for instance; constraints of resources, management perception of consumer expectations and the organizational service quality specifications. Discrepancies or, gaps may also exist on how management perceive the quality of service and the tasks associated with delivering the services. The magnitude of this gap is determined by the following inter related variables; the difference between the actual consumers' expectations, and the management perception of these expectations. The difference between the management perception of expectations, and the translation of those perceptions into service quality specifications. The difference between service quality specifications and service delivery. The difference between both service quality specifications and, service delivery and external communications to customers. These gaps can be a major hurdle in attempting to deliver a service which consumers would perceive as being of high quality (Parasuraman, 1991)

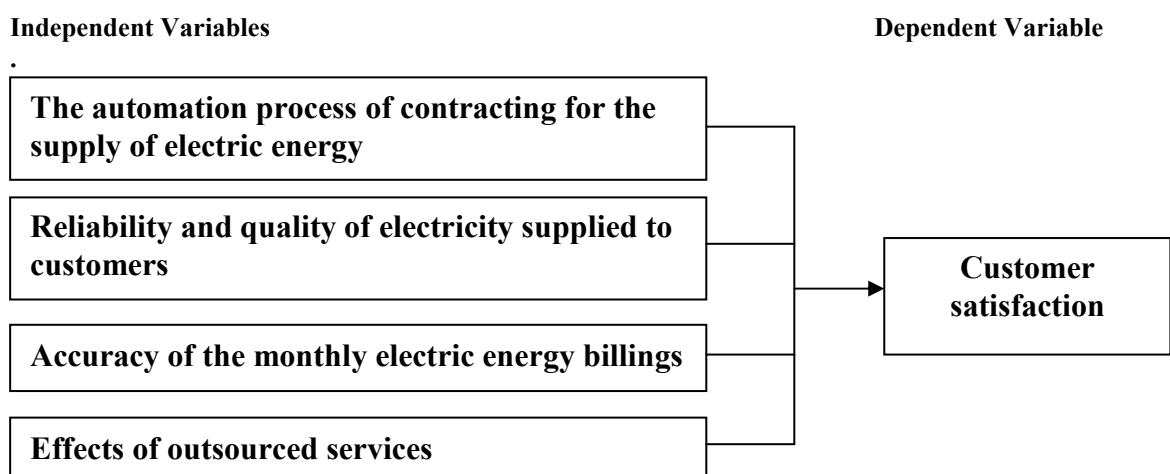


Figure 1: The Conceptual Framework

### The gap

The relationship between variables is such that the independent variables stand-alone factors which jointly affects the existence of a scenario under investigation (Cooper and Schidler, 2000). The research study will employ the above conceptual framework. KP levels of Customer Satisfaction is thus shown as influenced by Contracting for the Service, Quality of the Service, Accuracy of Billings, effects of Outsourcing for some functions and the resolution of customer service anomalies mechanism put in place by KP.

## 3.0 METHODS

### 3.1 Introduction

This chapter outlines the research methodology, which will be used to achieve the objectives of the study. It also outlines research design, target population, sampling design, data collection method and research procedures, validity and reliability, outcomes and data analysis techniques that will be applied during the study.

### 3.2 Research Design

The research will be descriptive and will take the form of case study of KP. Case studies will be in depth investigations resorting to a complete well organized feature for whatever is being studied. The purpose of the study will be to investigate a certain aspect intensively and comprehensively so that one can get the background aspect and the current status. This idea was borrowed from (Mugenda and Mugenda, 2003) who defined case study as an in-depth investigation of an individual, group, institution or phenomenon. This definition is based on the premise that a case can be located and that it is typical of many other cases. The study is viewed as an example of a class of events or group of individuals or institution. The purpose according to these authors is to determine factors and relationships among the factors that have resulted in the observed behaviour under study. Thus the uses of qualitative mode of inquiry (Glenné and Peshin) take the case study as an example.

The above definition and explanations are also reinforced by (Kothari, 2008) and (Borg and Gall, 1996) this study is therefore an in-depth qualitative mode investigation. (Mugenda and Mugenda, 2003). Further, suggests that the descriptive design method is appropriate for studies that have specific issues where problems have been defined. The issues in the proposed study being factors affecting customer service in KP, are thus geared to address the essential why, who, when, what, and how questions in the research. The study seeks to describe a situation through the study of variable relationships.

### 3.3 Target Population

The target population of this study was composed of customers of KP based in Nyeri town region. Customers found in the above offices waiting for various services were interviewed at a random and total being 100. The sampled offices will be visited on diverse days. Whereby, on each visit ten customers will be interviewed.

**Table 3.1: Target population**

Category	Target population	Percentage
Retail Customers	60	60
Corporate Customers	40	40
	100	100%

### 3.4 Sample Design

A sample is defined as subject of a population that has been selected to reflect or represent characteristics of a population. A stratified proportion sampling will be employed to obtain a suitable unit representative of analysis. This is because of the heterogeneity of the population and respondents all had equal opportunity of participation. (Kothari, 2003) Argues that a stratified proportional sample increases a samples statistical efficiency and provides adequate data for analyzing the various populations. This method will be cost effective, fast track data collection, and access to the unit of analysis and elements of the study.

The Nyeri town region is stratified from the other two sub regions of Nyeri town region. The offices of O&M, D&C, CS, Banking/ Commercial Offices and Regional HR are further stratified in the zones within the sub region. Complaints received from the media were classified and those related to this sub region included in the sample. Written customers complaints dropped at various KP suggestion boxes is classified and included in the study. KP employees working in these offices were given a questionnaire to complete, and customers found seeking various services, were be interviewed.

### 3.5 Data collection

The study employed questionnaires to collect data; primary data was also collected through research tools as interviews observations and brainstorming as outlined by (Kothari, 2005). Secondary data was collected from documented sources such as library books, magazines and newspapers and internet literature. For the main purpose of this research, the study collected primary data but relied on the secondary data for the literature review. The researcher also used self-reporting questionnaire which were more efficient and economical tool for descriptive and preventive research for the sample size that were chosen. This way was easier to identify the level by which the respondent agreed and or disagreed. The researcher also applied the Licket Scale to the self-reporting questionnaire. The study used this method with a view that it was appropriate to this study. Part one was used for collecting general data about the companies. Part two was used to solicit the information on factors affecting the levels of customer satisfaction in government parastatals and part three was documenting the finding, making the recommendations and releasing the study.

### 3.6 Data analysis

The data is analyzed by use of descriptive statistics. Specifically, means, averages and percentages were employed by the researcher. The data analysis tools will be simple tabulations and presentations of the report using spread sheets such as; Excel and Statistical Packages for Social Sciences (SPSS). The data will then be presented using tables, graphs and charts.

### 3.7 Ethical Consideration

This research work ensured confidentiality in respect to data collected from field work and that it upheld ethical values and standards. The researcher will do his research in good faith with integrity and accountability thus, no bias or discrimination on the basis of gender will occur. All information obtained was communicated in writing and that benefits will be maximized and risks be reduced like costs.

## 4.0 RESULTS AND ANALYSIS

### 4.1 Introduction

This research sought to investigate the factors affecting the levels of customer satisfaction in government parastatals. The questionnaires were circulated to the target sample of 100 Customers of which 85 responded. The data was then analyzed on the basis of this response rate (85%) and sequentially presented in form of frequency tables, percentages and graphs. A content analysis of the responses to open-ended questions have been presented as qualitative data for a better understanding of the researched themes.

### 4.2 Respondents.

Both qualitative and quantitative methods were used in data presentation and analysis. Out of the sample of 100 customers and the same number of questionnaires which formed 85% of the total sample, the large sample of 60% was chosen because of the inherent heterogeneity of Customer perception of the services. Time constraint also contributed to the selection of sample size plus the timing of the study never gave many customers enough time to respond to the questions most of them were transacting at this particular time. A total of 85 questionnaires were fully filled and picked back forming 85% of the total questions administered the research went ahead to analyze owing to the fact the questions were homogenous and it was assumed that the response from various stations would give similar answers.

### 4.3 Quantitative and Qualitative Analysis

Qualitative involves the use of Statistical techniques to describe, analyze and communicate research findings. Descriptive statistical technique was used this included the use of diagrams, frequency tables and bar charts. While qualitative involved the use of non-statistical tools to communicate and summarize, it addressed open ended questions.

### 4.4 Presentation of Data According to Research Questions

*Usage electricity by the respondent was as follows for commercial or domestic purposes?*

**Table 4.1: Usage electricity**

Type of Use	Frequency	Percentage
Commercial	34	40
Domestic and other usage	51	60
<b>Total</b>	<b>85</b>	<b>100</b>

*Level of satisfaction by customers on various complaints*

**Table 4.2: Levels of satisfaction by customers on various complaints**

Customer type	Frequency	Percentage
Very Satisfied	10	11.8
Satisfied	35	41.2
Neutral	25	29.4
Dissatisfied	15	17.6
Very dissatisfied	0	0

With regard to weather customers are Satisfied with the levels of Services at KP, 10 respondents were very Satisfied, 40 respondent were just Satisfied, 30 of them decided to be neutral while 20 were dissatisfied.

### *Satisfaction with customer level from customer care repetitive*

Asked what factors they considered in satisfaction of the services level from KP customer service representatives, the survey revealed that this had a lot to do with the willingness of the representatives to listen and to respond to customer needs and the majority (67 %) of the respondents were found to be very satisfied with the representatives at KP on this counter few respondents (18%) expressed dissatisfaction with the representatives willing to listen at their needs. The friendly and courteous manner of the staff was ranked second which most respondents expressed satisfied (64%) with KP Customer service Representatives. Only (20%) of the respondents indicated dissatisfaction to this end. Majority of the respondents were satisfied with the knowledge of the services and areas of expertise. Only (18%) were dissatisfied with the staff knowledge of service.

Asked whether they were Satisfied with how fast and efficient the customer service representatives go about their job (26%) of the respondents expressed total satisfaction and a few dissatisfied and very dissatisfied respectively. Majority of the respondents expressed satisfaction that they felt recognized by the KP customer Service representative. The professional and attractive appearance of the representative was not considered a

major factor by the respondents but most expressed satisfaction with the professionalism.

Findings in table 4.3 below depict the level of customer satisfaction from the customer care representatives. **Where:** Very satisfied = (5); Satisfied = (4); Neutral = (3); Dissatisfied = (2); Very Dissatisfied = (1).

**Table 4.3: Satisfaction with customer level from customer care representative**

Variance	5	4	3	2	1	Ranking
Friendly and courteous manner	25%	29%	19%	30%	0	2
Willing to listen and respond	34%	23%	25%	18%	0	1
How fast and efficient the customer service	26%	23%	21%	14%	15%	4
Knowledge of the services	21%	27%	34%	18%	0	3
Recognition of you as a valued customer	23%	23%	20%	19%	14%	5
Professional and attractive appearance	21%	24%	23%	16%	15%	6

**Service Satisfaction**

Service satisfaction levels of the customers are summarised and presented in table 4.4 below.

**Where:** Very satisfied = (5); Satisfied = (4); Neutral = (3); Dissatisfied = (2); Very Dissatisfied = (1).

**Table 4.4: Service Satisfaction**

Service satisfaction variables	5	4	3	2	1
Clean and well cared facilities	33	27	23	20	0
Efficient, no wait customer	18	31	23	25	0
No long line ups at the counter	0	21	29	24	23
Availability of information brochures	17	25	25	18	16
Pleasant and attractive decorations	26	25	27	22	0
Location of service centers	29	23	21	17	0

Asked about service satisfaction, the survey revealed that this had a lot to do with convenient location of service centers. This contributed 58% as many customers intimating that the Payments and complains locations were strategically located thus saving them time. Another 58% indicated that the KP clean and well cared facilities counted for their satisfaction with KP services. 42% of the customers interviewed reveal that pleasant and attractive decorations were a good reason for them to be satisfied with the service level. Majority of the respondents were satisfied with the convenient location of the service centers, although many were quick to add that they are satisfied with the KP cleanliness and well cared facilities. From the below table the various factors have been ranked on a scale of 1-5, where 1 indicates very satisfied while 5 indicates very dissatisfied. **Where:** Very satisfied = (5); Satisfied = (4); Neutral = (3); Dissatisfied = (2); Very dissatisfied = (1).

**Table 4.5: Service Satisfaction**

Variables	(5)	(4)	(3)	(2)	(1)	Ranking
Clean and well cared facilities	32%	26%	22%	19%	0	2
Efficient, no wait customer	19%	32%	24%	25%	0	4
No long line ups at the counter	0	22%	30%	25%	23%	6
Pleasant decorations	26%	25%	27%	22%	0	3
Location of service centers	32%	26%	23%	19%	0	
Availability of information brochures	16%	25%	25%	18%	16%	5

**4.5 Factors that impact Customer Service level**

The survey revealed that staff training on customer relations was identified by the majority of respondents as a very important factor impacting on customer service level. Computerization or Automation was also revealed to



be an important factor. The same number of respondents pointed out promotion and awareness of products and services together with adequate physical facilities as equally important factors impacting on customer service levels. The least cited factor is positive staff attitude by six respondents.

**Table 4.6: Factors impacting on customer level**

Factors impacting on customer level	Frequency
Computerized or Automation	8
Staff Training on Services	10
Positive Staff Attitude	6
Adequate Facilities	7
Awareness of Services/product	7

Most respondents agreed that they had applied for power over 5 years and agreed that they have notice a lot of improvements on customer care compared to past years this fact is attributed to new technologies employed by the KP staff some examples given by respondents included, Short message service alert on their phones, use of email to ask queries and being able to pay bill through the phone were some of the improvements noted by majority of customers.

***Willingness to assist the customer***

Responses from queries raised show a lot of improvements on customer satisfaction especially of quality services on willing to assist. This is what the respondents felt as illustrated in the table below.

**Table 4.7: Willingness to assist the customer**

Variables	Responses
Excellent	10
Good	45
Fair	25
Poor	5

***Speed of Service***

The response to speed of service was as following, 40% indicated that the speed of service was moderate, 24% of the respondents said it was fast enough, 26% said it was slow and 10% said it was very slow. Thus, the results can be seen as follows in the table below:

**Table 4.8: Speed of Service**

Category	Frequency	Percentage
Efficient	0	0
Very high	0	0
Moderate	34	40
Fast	21	24
Slow	22	26
Very slow	8	10

***Response to customer complaints***

Analysis also stated that 66% of the respondents indicated that the speed of response to customers complain was good, 17% indicated that it was very good, while 17% were of the view that it was fair. This can be seen in the results in the table below.

**Table 4.8: Response to customer complaints**

Category	Frequency	Percentage
Excellent	0	0
Very good	15	17
Good	55	66
Fair	15	17
Poor	0	0
D/K or N/A	0	0

### ***Attitude of Employee***

The analysis indicated that 83% of the respondent indicated that the attitudes of the employees towards customers' are good, while 17% indicated that it was very good. This clearly showed that the employee's attitude towards customers is portrayed as positive. The results are as follows in the table below:

**Table 4.9: Attitude of Employee**

Category	Frequency	Percentage
Excellent	0	0
Very good	15	17
Good	70	83
Fair	0	0
Poor	0	0
D/K or N/A	0	0

### ***Knowledge of work***

The respondents acknowledge that employees' knowledge of their work was very good and 85% agreed while 15% said it was good. This can be attributed to the level of training on customer care. The results obtained are recorded as follows in the table below:

**Table 4.10: Knowledge of work**

Category	Frequency	Percentage
Excellent	0	0
Very good	72	85
Good	13	15
Fair	0	0
Poor	0	0
D/K or N/A	0	0

### ***Payments your electricity bills***

All respondents on commercial and office usage of prefer to pay bill through banking hall. This is because most of them need the receipt for accounting purposes; most of domestic users prefer paying bills via M-pesa or Zap, ATM, Post office this is to avoid long ques at KP banking halls. Only visits banking halls for other issues rather that paying bills but rarely because of paying bills.

## **4.5 Summary of Data Analysis**

It is the expectation of this study that this research effort provides a methodological orientation and some preliminary findings that may be useful to others interested in learning customer service, the data analysis indicated that customer satisfaction does differ across industries, and that both the banking/finance and hospitality/sports industries seem to please their customers more than the other industries analyzed in this research undertaking.

Service organizations that are highly dependent on the satisfaction of their customers need to establish standards from which their own customer satisfaction performance can be compared and improved on a continuous basis. It is important that such organizations not only benchmark themselves against the best practices in their own industries, but that they also transcend their own market niches and identify best practices among industries outside of their own competitive areas. By doing so, they can not only make incremental improvements based on learning from others within their industries.

## **5.0 SUMMARY OF MAJOR FINDINGS, CONCLUSION & RECOMMENDATIONS**

### **5.1 Introduction**

This chapter summarizes the research findings and relates them to the literature review in chapter 2 to draw some conclusions. It will also give recommendations and suggestions for further study.

### **5.2 Summary of the findings**

In attempting to explain why satisfaction is apparently determined mainly by performance, one possibility is that available information (on "performance", "expectation", and "importance") is processed heuristically. If so, because "performance" is the variable most closely connected with reality, it might assume special heuristic importance. Although models of "satisfaction" typically propose a rational process of information processing,

many studies have suggested that such rational information processing is more often the exception than the rule in everyday life (Ajzen and Fishbein, 2000; Bargh and Chartrand, 1999; Fiske and Taylor, 1991; Petty and Cacioppo, 1986). According to this view, heuristic processing, which allows quicker action and reaction, is a more common way of dealing with information. In this regard, Locke's (1969, 1976) model might be too complex to describe the kind of information processing that ultimately leads to satisfaction. However, it is acknowledged that the exact nature of heuristic information processing remains unclear.

Finally, it is possible that differences existed in the respondents' interpretations of the items. However, it is unlikely that this was a significant problem in the present study because the questionnaire deliberately utilized items that were easy to understand linguistically. Moreover, the sample was sufficiently large to neutralize any unsystematic misinterpretations.

The main implication of the present study for managers who wish to measure customer satisfaction in practice is that the best alternative is simply to ask how satisfied the customers are with a particular service or product. Questions regarding "expectation" or "importance" are unlikely to shed any further useful light on the phenomenon. In contrast, managers who are interested in ascertaining how important an individual service or products is for the general satisfaction of customers should not ask the customers directly. The responses are unlikely to produce significant differentials because, in general, only relatively important products/services are offered to customers. It is therefore preferable to infer the weightings indirectly – for example by conducting a regression from satisfaction with the individual services/products to general satisfaction.

Finally, in addition to ascertaining the relative performances of various products and services, managers should not disregard the absolute level of the performance of a given product/service. It might be more important to reach peak values in one area than to minimize the differences between various areas in the lower performance level.

### **5.3 Conclusion**

The perception of customer service quality has well been demonstrated to be key to customer retention and the long-term financial success of most organizations. Yet, consumer satisfaction is derived from the customer's comparison of the customer's actual experience with a service episode contrasted with the customer's service expectation. Such expectations are derived from both ideal and comparative standards – what should service be and what the customer can realistically expect based on what the customer has previously experienced.

Ultimately the answers to these two questions are idiosyncratic – they are uniquely defined from person to person, contact by contact. It is known that service quality varies within industries, and, because of this, organizations competing in similar market niches are compelled to monitor both the practices of their competitors and their own behavior in order to attract and retain their customers. Unlike marketing experts and business strategists, most customers do not cognitively classify their service experiences and service expectations based on particular market niches. Rather, they accumulate a generalized service expectation or standard based on their day-to-day history as customers.

This study has attempted to provide added insight into the significant variance in service quality from the eye of the customer. It also sharpened the focus on some types of industries that seem to do better than others.

The study has surfaced some evidence that service satisfaction may also vary as a result of customers' biographical characteristics. While the causes for such differences are not known, such differences in satisfaction may be indicative of an unequal level of service quality that is provided those in some industries or organizations. Indeed, organizations are charged with the obligation to be culturally competent, and the data may indicate that more needs to be done to assure that this organizational obligation is realized.

The implications of analysis of cross industry satisfaction ratings hold great promise for measuring the service quality of service outlets such as Government parastatals, consisting of multiple industries, best in class-type benchmarking, development of industry specific standards, and user friendly methods for managers of business enterprises to gauge the quality of their services and products to further their own continuous improvement efforts.

### **5.4 Recommendations**

The study showed shortcomings that hindered the Management to effectively carry out their roles therefore the following recommendations were and is suggested to the company to satisfied customers and remains

competitive and profitable. The managers should implement all policies that are put across in the organization within a specific time span. Well-timed implementation of such policies will assist in growth and profitability.

Government policies should also be implemented and incentives. This guides the institution in its communication services and marketing of the products national wide. Information Technology should be given priority. It will help in developing companies' infrastructure, which will ensure that all customers' needs are attended within the shortest available time. The company should promote two way communication systems so that to ensure that customers are free to ask for the services and their futures and in turn customers obtain the right products and services and hence customer can give feedback on the services offered.

KP should carry frequent research on its services and products to gather information about customer's needs and taste. This will be vital for continues improvement and to address more customer needs. Unproductive personnel and unqualified persons should be retained or be recommended for retirement.

### 5.5 Suggestions for further Studies

Quite possibly the study has also helped identify an important area for future research in consumer behavior that merits added attention. A broad study on challenges facing the management in providing customer service can also be conducted.

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### QUESTIONNAIRE FOR KP CUSTOMERS

1. Kindly state if you use electricity for commercial or domestic purposes? .....
2. On a scale of 1 to 5 where 1 represents 'Extremely satisfied' and 5 represents 'Extremely dissatisfied' how would you rate your level of overall satisfaction with KP?  
○ 1                      2                      3                      4
3. Why do you say that? What specifically are you satisfied or dissatisfied with the services offered by KP?  
.....  
.....
4. You had a complaint recently related to your new power supply connection?  
(a) Yes                      (b) No
5. When did you apply for electricity connection?  
(a) Year 2010  
(b) Two years ago  
(c) Over five years ago  
(d) Others .....
6. How long did your premises take to be surveyed and be connected to the national grid after paying the required service line charges?  
(a) Within a week  
(b) One month  
(c) Within three months  
(d) Others .....
7. Was the waiting period reasonable?  
(a) Yes  
(b) No  
(c) Not sure  
(d) Others .....
8. How much did you pay to get contracted for the electricity supply?  
(a) 2,500.00  
(b) 34,980.00  
(c) Others .....
9. Were the charges of Q 4 reasonable and you that you got the value for your money?  
(a) Yes  
(b) No  
(c) Others .....
10. How long did you wait to get the power supply to be metered after the initial survey of premises was done?  
(a) Within a week  
(b) Within a month  
(c) Within three months  
(d) Others .....
11. How would you rate the overall knowledge of the KP staff who attended to you? Would you say.....  
○ Excellent                      Very good  
○ Good                              Fair  
○ Poor                                D/K or N/A
12. How would you rate the KP Staff on being courteous? Would you say.....  
○ Excellent                      Very good  
○ Good                                Fair



- Poor D/K or N/A
  
- 13. How would you rate the KP staff on helpfulness, in other words willingness to assist you? Would you say.....
  - Excellent Very good
  - Good Fair
  - Poor D/K or N/A
  
- 14. How would you rate the KP staff on being able to help resolve your issue? Would you say.....
  - Excellent Very good
  - Good Fair
  - Poor D/K or N/A
  
- 15. How would you rate the officer who assisted you complete the documentation?
  - Excellent Very good
  - Good Fair
  - Poor D/K or N/A
  
- 16. Do you have any other contract with KP for supply of electricity?
  - Yes
  - No
  
- 17. Are you billed for the units consumed every month?
  - (a) Yes
  - (b) No
  - (c) Not sure
  - (d) Others.....
  
- 18. If your answer to question 16 is not (a) explain  
.....  
.....
  
- 19. Do you receive estimated bills?
  - (a) Yes
  - (b) No
  - (c) Not sure
  - (d) Others.....
  
- 20. If the response to question 18 is (a) how often?
  - (a) Frequently
  - (b) Occasionally
  - (c) Rarely
  - (d) Others.....
  
- 21. If you receive estimated bills are they;
  - (a) Over-estimated
  - (b) Under – estimated
  - (c) Not sure
  - (d) Others.....
  
- 22. How long does it take to resolve the over-estimated bill?
  - (a) Immediately
  - (b) One week
  - (c) One month
  - (d) Others.....
  
- 23. Comment on how your under-estimated bills are resolved? .....

24. How frequently do you receive electricity bills?
  - (a) Monthly
  - (b) Occasionally
  - (c) Rarely
  - (d) Others.....
  
25. Which pay point do you prefer using to pay your electricity bills?
  - (a) KP banking halls
  - (b) PCK – Postal Corporation of Kenya
  - (c) M-Pesa
  - (d) Others.....
  
26. Why do you prefer the pay point stated in question 24 for payment? .....
  
27. Have you ever been disconnected?
  - (a) Yes
  - (b) No
  
28. If yes, how frequent have you been disconnected?
  - (a) Often
  - (b) Occasionally
  - (c) Rarely
  - (d) Never
  
29. If the answer to question 27 was not (d) state the reasons.....
  
30. How long does it take to have the power restored after resolving for the reasons for disconnection?
  - (a) Same day
  - (b) Two days
  - (c) One week
  - (d) Others.....
  
31. Do you experience electricity outages?
  - (a) Yes
  - (b) No
  - (c) Rarely
  - (d) Others.....
  
32. If your response to question 30 was not (b) how long does it take for the power to be restored?
  - (a) Same day
  - (b) After two days
  - (c) One week
  - (d) Others.....

**Thank you.**

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