St. MARY'S UNIVERSITY

SCHOOL OF GARDUATE STUDIES

QUALITY OF SERVICE DELIVERY AND CUSTOMER SATISFACTION: A CASE STUDY ON ETHIO TELECOM MOBILE TELEPHONE USERS IN ADDIS ABABA CITY

By: YESHEWAS DEMEKE

June, 2017

ADDIS ABABA, ETHIOPIA

St. MARY'S UNIVERSITY

SCHOOL OF GARDUATE STUDIES

DEPARTEMENT OF MARKETING MANEGEMENT

QUALITY OF SERVICE DELIVERY AND CUSTOMER SATISFACTION: A CASE STUDY ON ETHIO TELECOM MOBILE TELEPHONE USERS IN ADDIS ABABA CITY

By: YESHEWAS DEMEKE

June, 2017

ADDIS ABABA

St. MARY'S UNIVERSITY

SCHOOL OF GARDUATE STUDIES

DEPARTEMENT OF MARKETING MANEGEMENT

QUALITY OF SERVICE DELIVERY AND CUSTOMER SATISFACTION: A CASE STUDY ON ETHIO TELECOM MOBILE TELEPHONE USERS IN ADDIS ABABA CITY

By: YESHEWAS DEMEKE

A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF GRADUATS STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF ART DEGREE IN MARKETING MANAGEMENT

June, 2017

ADDIS ABABA

St. MARY'S UNIVERSITY

SCHOOL OF GARDUATE STUDIES

DEPARTEMENT OF MARKETING MANEGEMENT

QUALITY OF SERVICE DELIVERY AND CUSTOMER SATISFACTION: A CASE STUDY ON ETHIO TELECOM MOBILE TELEPHONE USERS IN ADDIS ABABA CITY

By: YESHEWAS DEMEKE

APPROVED BY BOARD OF EXAMINERS

_____   _____

DEAN OFFICE   SIGNATURE

_____   _____

ADVISOR   SIGNATURE

_____   _____

INTERNALEXAMINER   SIGNATURE

_____   _____

EXTERNAL EXAMINER   SIGNATURE

CERTIFICATION

This is to certify that student, YESHEWAS DEMEKE , has completed writing a master's thesis entitled"QUALITY OF SERVICE DELIVERY AND CUSTOMER SATISFACTION: A CASE STUDY ON ETHIO TELECOM MOBILE TELEPHONE USERS IN ADDIS ABABA CITY" with my advice and follow up. I also approve that his work is appropriate enough to be submitted as a partial fulfillment of the requirements for the Award of Master of Marketing Management offered by the University.

ZemenuAynadis (Ass. Prof)

DECLARATION

I, YESHEWAS DEMEKE, assert that this study entitled **"QUALITY OF SERVICE DELIVERY AND CUSTOMER SATISFACTION: A CASE STUDY ON ETHIO TELECOM MOBILE TELEPHONE USERS IN ADDIS ABABA CITY"** is my own original work that has not been presented for a Master study in any other University and that all sources of materials used for the study have been **duly** acknowledged.

YeshewasDemeke

Acknowledgements

First of all, I would like to thank my advisor Zemenu Aynadis(Ass. Prof)for his guidance and support right from the start all the way to the accomplishment of this thesis.

Secondly, I express my appreciation for ethio-telecom customers being used as the unit of analysis in this study.

Finally I would like to thank my family and all my friends who always with me to support and encourage me to finish this thesis paper on time.

Table of Contents

Acronym page

- SMS: Short Message Service,
- MMS: Multimedia Message Service,
- ICT: Information Communication Technology
- ISO :   International Standardization Organization
- SPC: Service-Profit Chain
- ETA: Ethiopia Telecommunications Agency
- SPSS: Statistical Package for Social Science
- ETC: Ethiopian Telecommunication Corporation
- PTO: Public Telecommunications Operator
- OCS :   Allover Customer Satisfaction
- DD :   Desire Disconfirmation
- ED :   Expectation Disconfirmation
- SERVQUAL: Service Quality Model

List of Table

List of Figure

Abstract

This study was designed to assess and analyze customer satisfaction with service delivery of mobile telecommunication service within Addis Ababa city. This study rotates on customers satisfied or dissatisfied with service delivery of ethio-telecom with regarding on mobile telecommunication service. The main reason to do this research is the presence of many complaints from customers about the service delivery of mobile telecommunication network provider ethio telecom. In this study both qualitative and quantitative data analysis method deployed. To collect data from respondents self administered pre-teste questionnaire was used and a descriptive research design has undertaken. For achieving the research objective simple random sampling method is selected. This was to ensure that every member of the population had equal chance of being part of the sample. For this study a sample size of 270 respondents was selected from the capital city Addis Ababa. For data analysis purpose Statistical Package for Social Science (SPSS) version 20 was used. Generally, the result of this study indicates that customers are not satisfied with service quality delivered by ethio-telecom in Addis Ababa.

Keywords: Customer, Service, Customer Satisfaction, Service Quality model.

CHAPTER ONE
INTRODUCTION

1.1. Back ground of the study

In these days globalize and borderless market, responsiveness, quality and productivity are essential for the survival and growth of any organization. These factors depend mainly on the attraction and retention of customers. Customer satisfaction significantly affects company performance and survival. Thus customer orientation is the main focus for any successful business organization to be successful in the market place.(Agypong, 2010).

No business organization can survive without building its customer satisfaction and brand loyalty; likewise no organization can make a healthy living without meeting the needs of its customers. That is what organizations do: they serve people's needs. Service quality helps in cementing the relationship between customers and the organization and it is a two-way flow of value. This means that customer derives real value from the relationship which translates into value for the organization in the form of enhanced profitability and sustainability over a long period of time. The concept of quality, efficiency, productivity, growth and survival pose a great challenge for the survival and growth of all corporate bodies. These growth and survival demands are further deepened by the need to attract and retain customers, as customers are the main focus of any successful business (Agypong, 2010).

To ensure customers are satisfied, staff members can be selected to walk around the service area checking that all needs are being properly met. This ensures that customers can voice their dissatisfaction in an environment where the situation may be considered and rectified. It is here that a professional and efficient service recovery process operates. Successful service recovery strategies can restore customer satisfaction and can also influence other important organizational outcomes including loyalty, positive and negative word of mouth behavior, and profitability. Poorly executed service recovery tends to aggravate customer dissatisfaction, may drive customers to competing firms and, at the very least, encourages customers to badmouth the organization (Potluri, 2010).

Satisfied customers are the source of all profits and shareholders' value. Customer can choose from whom they buy, and unless the firm satisfies them at least as well as

competitors, sales and profits will quickly erode. Customer satisfaction should therefore be a prime objective and measure of the performance of managers (Wilson and coline,2005)

Many organizations no longer use only customer complains; rather they adopt rigorous qualitative and quantitative mechanisms to measure customer satisfaction. In this regard, measuring customer satisfaction provides the feedback how successful an organization is at providing products and/or services to the satisfaction of customers at the market place and market space. This makes it important for organizations to take pragmatic/practical and reliable step towards improving the quality of service delivery, managing customer value and satisfaction more effectively (Rust and Oliver, 1994).

In today's highly competitive, increasingly consolidated world, offer personalized and differentiating services, price fairness, can be critical and imperative to success. Currently Ethio-telecom is the only mobile telecommunication network service provider in Ethiopia. It providing various services; however, it is not sufficient and better than the other African countries. Due to the market monopoly system of the country there are no price and other customer service related market competitions. Although this single organization is continually improving up the quality of its service delivery, variety and personalized services to customers' are under question.

Among the services Mobile phone operators provide are voice service and value added services including SMS (short message service), MMS (multimedia message service), ringtone, games, electronic transaction, and web browsing etc. The improvement of service quality is the key source of success in the business and competitive advantage. Besides, voice services proving value added services are becoming great prospect for mobile phone service providers (Kim, 2000).

Studies conducted to explore factors affecting satisfaction, loyalty and retention in mobile telecommunications industry include: (Gerpott, 2001) investigated customer satisfaction, loyalty and retention in the German mobile telecommunications among 684 respondents and reported that customer retention cannot be equated with customer loyalty and/or customer satisfaction, rather a two-stage causal link can be assumed in which customer satisfaction drives customer loyalty which in turn has impacts on customer retention. However, these three factors are important for superior economic success among telecommunication service providers.

Kim, (2004) investigated the effects of customer satisfaction and switching barrier on customer loyalty among 350 respondents in Korea and reported that call quality, value-

added services and customer support have significant impact on customer satisfaction. Thus, to maximize customer satisfaction, focus should be on service quality and customer-oriented services. Switching barrier on the other hand is affected by switching costs (e.g. loss cost, move-in cost, and interpersonal relationships) and was revealed to have an adjustment effect on customer satisfaction and customer loyalty.

Serenko and Turel (2006) investigated customer satisfaction with mobiles services in Canada and reported that perceived quality and perceived value are the key factors influencing satisfaction with mobile services. Customer care is reported to be negatively related to customer satisfaction, which means that a more satisfied customer is less prone to complain. Hence, they concluded that customer satisfaction is the only single measure that better capture the range of services, prices and quality and more so, this measure is an important performance indicator useful for both regulators and mobile service providers.

Previous studies on mobile telecommunication services measured services quality by call quality, pricing structure, mobile devices, value-added services, convenience in procedures, and customer support (Gerpott,2001). Customers determine satisfaction level of any purchased service by the perceptions of quality received. Customer satisfaction assessment captures service quality and in this study, to measure service quality of mobile telecommunication services, different mobile service attributes used to assess customer satisfaction.

There are few researches done previously on services delivered by telecommunication and customer's satisfaction in Ethiopia. Hence this paper triesto know and understand the level of customer satisfaction and to identify what are the factors that make customers of cellular phone users dissatisfied for a better understanding of the relationship that exists between customer and service delivered by Ethio telecom in Addis Ababa town.

1.2. Statement of the Problem

The telecommunication services in Ethiopia have made rapid stride both in quality and quantity. However, the poor nature of service delivery in the country,these are discrepancies between perceived performance and expectation from customers point of view or perception in terms of performance within ethio telecom using various service quality dimensions including tangibility, reliability, responsiveness, assurance and empathy. Critics over subscription to telecommunication services are without expansion of the capacity of service provider, high charge rates and the problem of poor interconnectivity among networks.

The process of technological sophistication has gained the momentum but the users are yet to get the quality of service. The poor sector management also has resulted in Ethiopia having one of the lowest Tele densities in the sub-Saharan region of a 0.5%.Tele Negarit, (2007)

There was a disappointment on the overall performance ofethio telecom according to Dr. Rajasekhara,2010) the product/service knowledge, interactive and problem solving abilities of the frontline employees of ethio telecom is not as customers expectation. Among 400 respondents 47 per cent of them articulated their displeasure on service delivery process. They were treated the process has lot of complications and clumsy one in the areas of applying, and receiving telecom service.

On this study significantly 70 per cent of customers uttered their unhappiness about the complaint handling procedure. It was lengthy and time taking, most of the timings the outcome also in favor of service provider. The Ethiopian telecom market was feeling that they were not treated fairly and far away for adequate justice while handling their complaints.

There are many complaints from customers about the service delivery of the mobile telecommunication network provider, in Ethiopia. Evidently, the growth trend in the mobile telecom industry in Ethiopia does not provide empirical support for the claim that customers are not satisfied with the service delivery of the mobile telecommunication network in Ethiopia Specially when we compared the speed of improvement of quality telecom services in the telecom world.

According to ICT indicators, (2008;) the goal of the government of Ethiopia is on the development and investments of mobile telecommunication network in Ethiopia have only partly been met-especially with respect to the development in rural areas and the quality still low has deteriorated on some indicators. Since the past years, the industry has shown some kind of improvement or increase in subscribers' growth rate. This trend could not attribute to quality service and customer satisfaction, but seems a success story to the industry.

However, the literature indicates that quality is a major determinant of satisfaction and has a positive relationship with satisfaction in both the short and long run (Oliver, 1997).Quality judgments should be based on consumer feedback and not on manufacturers' beliefs about product/service quality (Almossawi, 2012).

Increasing customer satisfaction has been found to lead organization to higher future profitability. Therefore, Customer services are the opportunities for telecom service providers that are added to mobile network other than voice services in which contents are either self-produced by service provider or provided through strategic compliance with service provider in order to create satisfied customers with quality service (Hanif. 2010).

After carefully analyzing various research studies conducted so far using the SERVQUAL model, has been realized that many research works have been carried in different service industries such as education, restaurants, banking, health care, etc, but limited empirical study has been conducted using the SERVQUAL model to assess service quality in telecommunication industry. Researcher considers telecommunication industry as part of the service industry providing voice services and data services.

There are some of research which find out the relationship between perceived service quality, customer satisfaction and customer loyalty and it was proven that perceived service quality had a positive relationship with customer satisfaction and this supports the argument of linking service quality and customer satisfaction. They did not use the SERVQUAL model but rather the performance to assess service quality. This is the research gap and in order to fill the gap, tries to measure service quality and customer satisfaction using the SERVQUAL model from the customer's perspective in order to know their perceptions.

1.3. Research Questions

From the above problem, the study seeks to answer the following specific research questions of mobile telephone users in ethio telecom;

1. How can customer satisfaction with service quality be described in Ethiopia customer's mobile telecom service?
2. Which dimensions of service quality are customers satisfied or dissatisfied with in Addis Ababa's mobile telecommunication service?
3. What are the factors hindering customer satisfaction of mobile telephone users?
4. What should be done to improve customer satisfaction of mobile telephone users?

1.4.   Objectives of the Study

1.4.1. General Objective

The general objective of this study is to assess and analyze the level of customer satisfaction with service delivered by ethio-telecom.

1.4.2. Specific Objectives

- To measure and describe customer satisfaction with dimensions of service quality in mobile telecommunication service in Ethiopia.
- To identify and prioritize dimensions of service quality in the context of mobile telecommunication service with in Ethiopia.
- To identify factors which affect customer satisfaction on service provided by Ethio telecom
- To determine what should be done to improve customer satisfaction in Ethio telecom.

1.5. Significance of the Study

This study will help ethio telecom to develop and implement effective service quality improvement initiatives. It will also provide a more reliable scientific measure and perspective for describing and evaluating the overall customer satisfaction with the services they offer. It will particularly, identify the challenges of the company, its weaknesses and how these affect the quality of service delivery and consumer satisfaction.

This study will have a practical significance to provide empirical support for management strategic decision in several critical areas of operation, and above all, provide a justifiably valid and reliable guide to designing workable service delivery improvement strategies for creating and delivering customer value; achieving customer satisfaction and loyalty, building long-term mutually beneficial relationship with profitable customers to achieve sustainable business growth.

It will provide to the potential stakeholder and public better understanding of the organization in terms of its services quality to customers. Furthermore, it is hoped that the information collected may provide a base for improving marketing activities and services development decisions and also finding of the study might stimulate further study on other aspects concerning relationship between service quality and customer satisfaction.

1.6. Scope and Limitation of the Study

1.6.1. Scope of the Study

The study was delimited to only Ethiopian mobile telecommunication network provider: ethio-telecom and its operation with in Addis Ababa city. So the theoretical part is rotated only on the study area. Moreover customers/respondents in this study was limited to only individuals/subscribers in Addis Ababa.

1.6.2. Limitation of the Study

The main limitation of this study was constraints of resources, time and access. The financial and material resources needed for large sample size and area coverage for this study was inadequate. Language was another access limitation as it was difficult to translating.

1.7. Organization of the Research Report

This study is organized in to five chapters. Chapter one discussed about the introductory part, which covers the background to the study, problem statement, and objective of the study, research questions, and significance of the study, scope and limitation and structure of thesis. Chapter two gives the literature review, where all the concepts that are important to the study will be presented. It covers, Conceptual definitions , thus all terms related to service, quality, customer satisfaction, customer expectations and customer perception, mobile telecommunication and its role, state of telecommunication in Ethiopia, are to be identified. Chapter three is discussed about methodology selection. It is focuses on the research design, data collection; population, sampling, research instruments and credibility of the study. Chapter four revolved on presentation of data and analysis of results and finding. And also, the last chapter addressed the conclusion and recommendation part.

CHAPTER TWO
LITERATURE REVIEW

2. 1. Theoretical Reviews

2.1.1. Service Concept

A study carried out by Johns, (1999, 954) points out that a word 'service' has many meanings which lead to some confusion in the way the concept is defined in management literature, service could mean an industry, a performance, an output or offering or a process. He further argues that services are mostly described as " intangible'' and their output viewed as an activity rather than a tangible object which is not clear because some service outputs have some substantial tangible components like physical facilities, equipment's and personnel.

Service is different from physical products. Compared with physical products, service is thought to be intangible, heterogeneous, produced and consumed simultaneously, unable to be kept in stock, etc. International Standardization Organization (ISO) defines a service as a part of the total production concept.

According to kotler and keller/2006 "A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product".

A widely accepted definition of service is proposed by Grönroos (1990)as: "A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems" (Grönroos, 2000).

2.1.2. Understanding the Concept of Quality

The definition of quality may vary from person to person and from situation to situation. Which means that such a global definition does not exist; rather, different definitions of quality are appropriate under different circumstances.

Some definitions of quality pointed out by Hardie& Walsh (1994, p.53) include;

"Quality is product performance which results in customer satisfaction freedom from product deficiencies, which avoids customer dissatisfaction" – (Juran, 1985, p.5)

In a manufactured product, the customer as a user recognizes the quality of fit, finish, appearance, function, and performance. The quality of service may be rated based on the degree of satisfaction by the customer receiving the service. The relevant dictionary meaning of quality is "the degree of excellence." However, this definition is relative in nature. The ultimate test in this evaluation process lies with the consumer. The customer's needs must be translated into measurable characteristics in a product or service. Once the specifications are developed, ways to measure and monitor the characteristics need to be found. This provides the basis for continuous improvement in the product or service.

The underlying philosophy of all definitions is the same consistency of conformance and performance, and keeping the customer in mind. Another definition that is widely accepted is Quality is the degree to which performance meets expectations. This definition provides a means to assess quality using a relative measure. Quality denotes an excellence in goods and services, especially to the degree they conform to requirements and satisfy customers. The above definitions of quality shed light in understand quality concept and point out that quality has many views.

2.1.3. Service Quality Concept

According to Parasuraman (1985),service quality can be defined as the consumer's comparison between service expectation and service performance. They proposed service quality to be a function of pre-purchase customer expectations, perceived process quality, and perceived output quality. Based on their statement in 1985, they then suggested that service quality is determined by differences between customers' expectation of the service and their perceptions of the service experience.

Service quality is commonly noted as a critical prerequisite and determinant of competitiveness for establishing and sustaining satisfying relationships with customers. Previous studying suggests that service quality is an important indicator of customer satisfaction (Spreng and Machoy (1996).

Attention to service quality can make an organization different from other organizations and gain a lasting competitive advantage (Boshoff and Gray, (2004).In particular, consumers prefer service quality when the price and other cost elements are held constant (Turban, 2002). It has become a distinct and important aspect of the product and service offering (Caruana, 2002).

According to Brady and Robertson (2001) service quality helps to create the necessary competitive advantage by being an effective differentiating factor. Service quality was

initiated in the 1980s as the worldwide trend when marketers realized that only a quality product could guaranteed and maintain competitive advantage (Boshoff and Gray 2004). Parasuraman, Zeithaml, and Berry (1988, 1990)projected a service quality model that identified perceived service quality into five dimensions: tangibility, reliability, responsiveness, assurance, and empathy.

1. Tangibles involve the appearance of physical facilities, including the equipment, personnel, and communication materials.

2. Reliability involves the ability to perform the promised service dependably and accurately.

3. Responsiveness involves the willingness to help customers.

4. Assurance involves the knowledge and courtesy of employees and their ability to convey trust and confidence. This assurance includes competence, courtesy, credibility and security.

5. Empathy involves the provision of caring, individualized attention to customers. This empathy includes access, communication, and understanding the customer.

Most customers prefer good service to lower prices. Think about all the situations where you are prepared to pay a little extra to get a better or more efficient service. Companies that give these added service benefits are likely to be winners. They have a competitive advantage over rivals.

Customers are requiring and demanding better services and the goals of all Telecoms must be to make the customers feel special. This will lead to customer's perceptions exceeding their expectations and greater customer satisfaction. A personal, proactive approach, such as knowing guest history, issues and preferences is vital to impressing customers and increasing repeat business.

The model conceptualizes service quality as a gap between customer's expectations (E) and the perception of the service providers' performance (P). According to Parasuraman (1985), "*service quality should be measured by subtracting customer's perception scores from customer expectation scores (Q = P - E)*". The greater the positive score mark means the greater the positive amount of service quality or the greater the negative score mark, the greater the negative amount of the service quality.

Service quality = perceived – experience

SQ: Service Quality, P: Customers' Perception, E: Customers' Expectation. So, (P − E = SQ), is a scale to examine the expectation or perception of a customer about the quality of specific product or service (SQ).

1. Negative Q indicates that there is a gap in service quality.

2. Positive Q indicates that the satisfaction level of consumers is higher than their expectation.

Customers determine satisfaction level of any purchased service by the perceptions of quality received. Therefore, customer satisfaction assessment captures service quality and in this study to measure service delivery of ethio-telecom with regarding on mobile service different service quality dimensions has used to assess customer satisfaction.

2.1.4. Customers' Expectations Compared to Perceptions

Gronroos, (1982); Parasuraman, (1985) have proposed that customer's perception of service quality is based on the comparison of their expectations (what they feel service providers should offer) with their perceptions of the performance of the service provider. Parasuraman, (1988) point out that expectation is viewed differently in both satisfaction literature and service quality literature.

 In satisfaction literature, expectations are considered as 'predictions' by customers about what is likely to happen during a particular transaction while in service quality literature, they are viewed as desires or wants of customers, that is, what they feels a service provider 'should' offer rather than 'would' offer.

The study is mainly based on this discrepancy of expected service and perceived service from the customer's perspective. This is in order to obtain a better knowledge of how customers perceive service quality in ethio telecom. I am not focusing on the 1st four gaps because they are mainly focused on the company's perspective even though they have an impact on the way customers perceive service quality in ethio telecom and thus help in closing the gap which arises from the difference between customer's expectation and perception of service quality dimensions.

2.1.5. Customer Satisfaction

Customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Anderson, Fornell, & Lehmann, 1994; Gro¨nroos, 1984;Lovelock&Wirtz, 2007). This is because several researchers have looked at the concept from different perspectives. According to Rust & Oliver (1994 as cited in Negi(2009) suggest that customer satisfaction or dissatisfaction a "cognitive or affective reaction" emerge as a response to a single or prolonged set of service encounters.

In the words of Giese & Cote (2000), consumer satisfaction comprises three basic components including the type of response (cognitive, affective or conative); the centre of interest or the subject on which the response is focused; and the moment in time at which the evaluation is made. But Anderson &Fornell (1994) are of the view that the literature is not very clear about the distinction between quality and satisfaction.

Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation (Kotler& Keller, 2006).

"Satisfaction is a psychological concept that involves the feeling of wellbeing and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service'' (WTO, 1985).

Satisfaction can be understood as a person's approach towards diverse aspects of his or her life – for example, the persons Job (Judge, 2001) or a service received from a company(Wilkie, 1990).Satisfaction can be conceptualized as either an emotional or cognitive response. Satisfaction is viewed as a judgment that depends on cognitive frames of references. These frames of references are culturally unique. There is an alternative affective view that holds that satisfaction draws on hedonic experiences. Satisfaction is a psychological term largely understood to define gratification one feels when ones desire, need or expectations are fulfilled.

Pizam and Ellis (1999) reported that there are two additional distinct theories of customer satisfaction apart from the seven aforementioned ones and these include: Comparison-level and Generalized negativity.

The outcome approach of the customer satisfaction is defined as the end-state satisfaction resulting from the experience of consumption. This post- consumption state can be an outcome that occurs without comparing expectations (Oliver, 1996); or may be a cognitive state of reward, an emotional response that may occur as the result of comparing expected and actual performance or a comparison of rewards and costs to the anticipated consequences.

Furthermore, Parker and Mathews (2001) expressed that attention has been focused on the nature of satisfaction of the outcome approach which include:

Emotion - Satisfaction is viewed as the surprise element of product or service purchase and or consumption experiences or is an effective response to a specific consumption experience.

This acknowledges the input of comparative cognitive processes but goes further by stating that these may be just one of the determinants of the affective "state" satisfaction (Park and Mathews, 2001).

Fulfillment –The theories of motivation state that people are driven by the desire to satisfy their needs (Maslow, 1943) or by their behavior aimed at achieving the relevant goals. However, satisfaction can be either way viewed as the end-point in the motivational process. *"consumer satisfaction can be seen as the consumer's fulfillment response"* (Rust and Oliver, 1994).

State – Oliver (1989) expressed that there are four framework of satisfaction, which relates to reinforcement and arousal. *"Satisfaction-as-pleasure" results from positive reinforcement, where the product or service is adding to an aroused resting state* and *"satisfaction-as-relief" results from negative reinforcement.*

In relation to arousal, low arousal fulfillment is defined as *"satisfaction-as contentment"*, *a result of the product or service performing adequately in an ongoing passive sense*. High arousal satisfaction is defined as *"satisfaction as either positive (delight) or negative surprise" which could be a shock* (Rust and Oliver, 1994).

For this study, customer satisfaction definition used is that of Homburg and Giering, (1998) which is *"an experience-based assessment made by the customer of how far his own expectations about the individual characteristics or the overall functionality of the services obtained from the provider have been fulfilled"*.

The relevance of this definition to this study is that it indicates that customers assess the mobile services based on experience of use and the rating is done in accordance with the mobile services attributes. In this study, focused on the evaluation/assessing of the customer satisfaction with regarding to the Ethiopia mobile services based on service quality dimension items.

2.1.6. Relationship between Service Quality and Customer Satisfaction

According to Sureshchandar, (2002,)customer satisfaction should be seen as a multi dimensional construct just as service quality meaning it can occur at multi levels in an organization and that it should be operationalized along the same factors on which service quality is operationalized. Parasuraman, (1985) suggested that when perceived service quality is high, then it will lead to increase in customer satisfaction. He supports that fact by stating that service quality leads to customer satisfaction and this is in line with

Saravana&Rao, (2007,) and Lee, (2000,) who acknowledges that customer satisfaction is based upon the level of service quality provided by the service provider.

According to Negi, (2009,), the idea of linking service quality and customer satisfaction has existed for a long time. He carried a study to investigate the relevance of customer-perceived service quality in determining customer overall satisfaction in the context of mobile services (telecommunication) and he found out that reliability and network quality (an additional factor) are the key factors in evaluating overall service quality but also highlighted that tangibles, empathy and assurance should not be neglected when evaluating perceived service quality and customer satisfaction. This study was based only on a specific service industry (mobile service) and I think it is very important to identify and evaluate those factors which contribute significantly to determination of customer-perceived service quality and overall satisfaction.

Fen &Lian, (2005,) also found that both service quality and customer satisfaction have a positive effect on customer's re-patronage intentions showing that both service quality and customer satisfaction have a crucial role to play in the success and survival of any business in the competitive market.

This study proved a close link between service quality and customer satisfaction. Furthermore, Su , (2002 as cited in Agyapong 2010,)carried a study to find out the link between service quality and customer satisfaction, from their study, they came up with the conclusion that, there exist a great dependency between both constructs and that an increase in one is likely to lead to an increase in another. Also, they pointed out that service quality is more abstract than customer satisfaction because, customer satisfaction reflects the customer's feelings about many encounters and experiences with service firm while service quality may be affected by perceptions of value (benefit relative to cost) or by the experiences of others that may not be as good.

A study carried out by Magi&Julander, (2009,) among grocery stores in Sweden showed a positive relationship between perceived service quality, customer satisfaction and customer loyalty. It was proven that customer satisfaction results from high perceived service quality and this makes the customer loyal. But is there a consensus among researchers, as they argue over whether high degree of service quality always brings about satisfaction. The work of Bitner (1990) proposed an alternative method and defined service quality as the customer's overall impression of the relative inferiority/superiority of a firm and its service offerings.

2.1.7. CUSTOMER SERVICES

Customer service is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint (Hanif, 2010). Customer services are the opportunities for telecom service providers that are added to mobile network other than voice services in which contents are either self-produced by service provider or provided through strategic compliance with service provider. The improved customer services are the focal point of the telecom service providers for social as well as for economic reasons. From a social point of view, services should be available to the customers on reasonable terms. As far as economic factor is concerned, services should satisfy the needs of the customers (Turel and Serenko, 2006). For developing satisfaction among customers, the telecom service providers need to be extra careful for the customer services they provide.

The study of Ahn Han and Lee, 2006) shows that when the customers, do not get their complaints considered properly, they start looking for other brands. It happens because either the customer service centers do not handle the complaints or the customers are not able to address them properly. Sometimes, telecom service providers take considerably longer time to resolve the problems like network coverage or call quality, the customers do not wait for long and hence they lose satisfaction with that particular brand (Ahn, Han and Lee, 2006). Furthermore, the friendly attitude and courteous behavior of the service workers at service firms leaves a positive impression on the customer which lead towards customer satisfaction. On the other hand, if a telecom service provider lacks in providing services (call drops) to its customers it experiences customer churn. Many scholars argued that service provider should provide customer oriented services in order to heighten up customer satisfaction.

2.2. Methodological reviews

2.2.1. Service quality models

Many different models have been developed to explain and measure service quality in different setting of business operation. On the drivers of service quality, the most widely used models are the service-profit chain (SPC), first proposed by Heskett, 1994), technical and functional quality model developed by Gronroos (1994)andthe GAP model proposed by Parasuraman, kotler and keller, (2006)

The gaps model conceptualizes five gaps which are; Gap 1: Customer expectation - management perception gap, Gap 2: Management perception - service quality specification

gap, Gap 3: Service quality specifications – service delivery gap, Gap 4: Service delivery – external communications gap, Gap 5: Expected Service – perceived service gaps.

Latter on from this GAP model the SERVQUAL model was developed. It has a multi item scale developed to assess customer perceptions of service quality in service and retail businesses. The scale decomposes the notion of service quality into five constructs as follows: Tangibles, Reliability, Responsiveness, Assurance and empathy. It bases on capturing the gap between customers' expectations and experience which could be negative or positive if the expectation is higher than experience or expectation is less than or equal to experience respectively. Functioning of the SERVQUAL model presented in figure. 2.2.1below.

Figure 2.2.1: Measuring Service Quality Using SERVQUAL Model
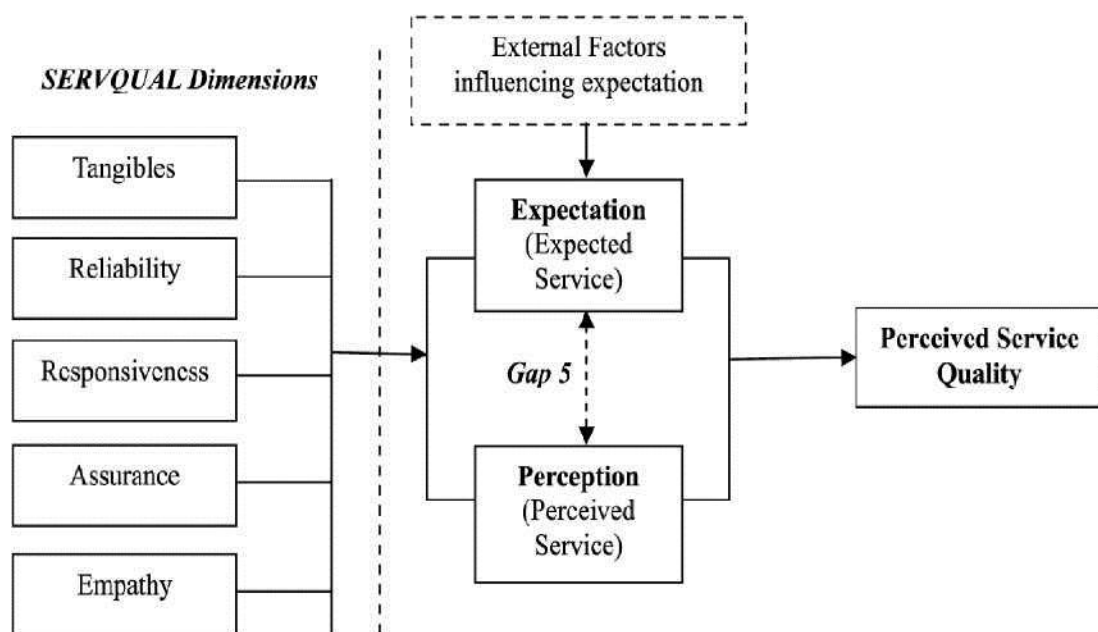
Source: **Kumar et al., (2009)**

SERVQUAL represents service quality as the discrepancy between a customer's expectations for a service offering and the customer's perceptions of the service received, requiring respondents to answer questions about both their expectations and their perceptions Parasuraman et al., (1988). The use of perceived as opposed to actual service received makes the SERVQUAL measure an attitude measure that is related to, but not the same as, satisfaction (Parasuraman et. al., 1988).

2.2.2. Significance and drivers of service quality

Delivering excellent service quality is widely recognized as a critical business requirement. Which is essential to corporate dynamic marketplace and market space, organization no

longer compete only on cost but more importantly on service quality. In a competitive marketplace where businesses compete for customers, delivering quality service is seen as a key differentiator and has increasingly become a key element of business strategy (Kotler, 2006).

2.2.3. Prioritizing service quality dimensions

One of the marketing values that measuring customer satisfaction can provide practioners stems from prioritizing the dimensions. Prioritizing the dimensions offers organizations the value of identifying which dimensions of service quality customers are satisfied with and which ones they are dissatisfied with. This allows practioners to effectively redirect their focus and re-allocate resources toward improving service quality with customer dissatisfied dimensions, while maintaining or increasing attention and resources on dimensions those customers are satisfied with.

In the empirical work of Chowdhary and Prakash, (2007) on prioritizing dimension of service quality, they found out that " no simple generalization of relative importance of determinants of service quality is possible. Thus, it must be noted that importance of determinants of quality for customers would vary across different service types." In view of this, the researcher explored the relative importance of dimensions of service quality from customer perspective in Ethiopia's the case of Addis Ababa mobile telecom industry as one of the objective of the study.

2.2.4. Criticisms of SERVQUAL Model

Not with standing its growing popularity and widespread application, SERVQUAL has been subjected to a number of theoretical and operational criticisms which are detailed below:

2.2.4.1. Theoretical Criticisms

i. Paradigmatic objections: SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; and SERVQUAL fails to draw on established economic, statistical and psychological theory.

ii. Gaps model: there is little evidence that customers assess service quality in terms of P – E gaps.

iii. Process orientation: SERVQUAL focuses on the process of service delivery, not the outcomes of the service encounter.

iv. Dimensionality: SERVQUAL's five dimensions are not universal; the number of dimensions comprising service quality is contextualized; items do not always load on to the factors which one would a priori expect; and there is a high degree of intercorrelation between the five dimensions (Reliability, assurance, tangible, empathy and responsiveness).

2.2.4.2. Operational Criticisms

i. Expectations: the term expectation is polysemous meaning it has different definitions; customers use standards other than expectations to evaluate service quality; and SERVQUAL fails to measure absolute service quality expectations.

ii. Item composition: four or five items cannot capture the variability within each service quality dimension.

iii. Moments of truth (MOT): customers' assessments of service quality may vary from MOT to MOT.

iv. Polarity: the reversed polarity of items in the scale causes respondent error.

v. Scale points: the seven-point Likert scale is flawed.

vi. Two administrations: two administrations of the instrument (expectations and perceptions) cause boredom and confusion.

vii. Variance extracted: the over SERVQUAL score accounts for a disappointing proportion of item variances.

2.2.5. Customer satisfaction Measurement Model

Many measurement models have been developed and applied to measure customer satisfaction though not all have been empirically validated. Simon Gyasi and Foresight Kofi (2006) identified nine methods for measuring CS, which are; expectancy disconfirmation, assimilation-contrast, equity, attribution, comparison-level, generalized negativity and value precept. Out of these the most widely used in the disconfirmation theories and customer satisfaction index.

2.2.5.1. Disconfirmation Models

Disconfirmation models are models that suggest that customer satisfaction/dissatisfaction is the disparity that exist between the performance of a product/service and cognitive or emotional standards of the consumer. Oliver (1980) was the first to propose and developed

the expectancy disconfirmation theory. This theory has been tasted and confirmed in several studies. According to expectation disconfirmation theory, customers after consuming a product/service performance against their expectation before the service encounter. When outcome or perceived performance is equal to expectations, confirmation occurs. Negative disconfirmation occurs when product/service performance is less than expected. Positive disconfirmation occurs when product/service performance is better than expected. Customer satisfaction occurs by confirmation or positive disconfirmation of consumer expectation, and dissatisfaction is caused by negative disconfirmation of consumer expectations. Customers were asked to rate their satisfaction with service.

2.2.5.2. Customer Satisfaction Measurement Scales

In measuring customer satisfaction, which measurement scale is appropriate and how many items should such a scale have? According to Danaher and Haddrell (1996); there are three broad categories of measurement scales used in customer satisfaction measurement. They are performance scales, disconfirmation scales and satisfaction scales. Performance scales are those that use scales such as poor, fair, good, and excellent; disconfirmation scales are those that use scales such as worse than expected to better than expected; and satisfaction scales are those that use scales such as very dissatisfied to very satisfied.

The disconfirmation scale is preferred method in measuring customer satisfaction because of the following reasons;

First in one disconfirmation-based single question, it captures succinctly Parasuraman (1980) two-stage SERVQUAL measurement, i.e. much worse than expected to much better than expected. Second, it is shown mathematically that comparison with expectations will correlate higher with customer retention than either a quality question or a satisfaction question. Lastly, using disconfirmation scale is better because a customer rating service quality highly, for example as good or excellent, may not perceive it as 'better than expected'.

For the above reasons, in this study, theoretical framework for measuring overall customer satisfaction(OCS) with service quality used five-point disconfirmation scales; from much better expected or desired to much worse than expected or desired.

Figure2.2.5.2 the complete expectation disconfirmation model
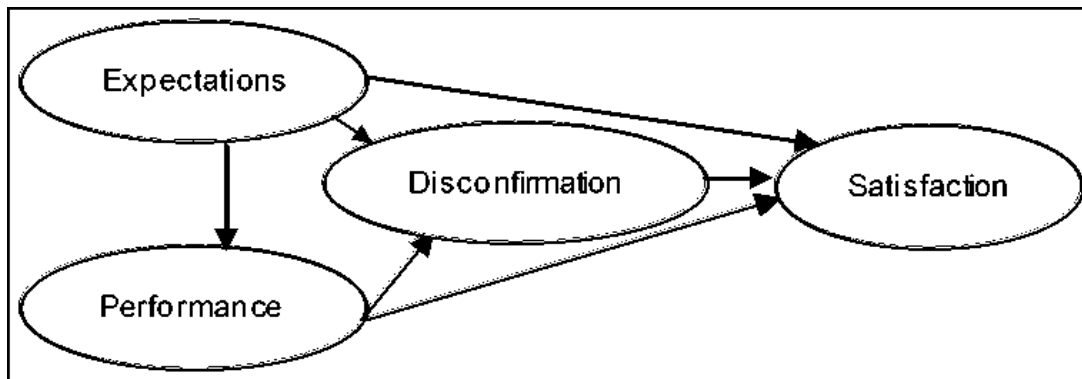
Source: (Oliver, 1997, p. 120)

2.3. Empirical Reviews

According to Negi, (2009, p.33), the idea of linking service quality and customer satisfaction has existed for a long time. He carried a study to investigate the relevance of customer-perceived service quality in determining customer overall satisfaction in the context of mobile services (telecommunication) and he found out that reliability and network quality (an additional factor) are the key factors in evaluating overall service quality but also highlighted that tangibles, empathy and assurance should not be neglected when evaluating perceived service quality and customer satisfaction.

This study was based only on a specific service product in telecom industry (mobile service) and we think it is very important to identify and evaluate those factors which contribute significantly to determination of customer-perceived service quality and overall satisfaction. Researchers have yet to come to conclusion on the antecedents to service quality and satisfaction. A study carried out by Bitner (1990) on 145 tourists in international airport suggests satisfaction as antecedent to service quality (satisfaction-service quality). On the other hand ,there are many other researcher who concluded that service quality is antecedent to customer satisfaction (Ahmad and Kamal,2002;Cronin and Taylor,1992;Yavas et al,.1997). Kumar et al, (2009) used the SERVQUAL model in a research to determine the relative importance of critical factors in delivering service quality of banks in Malaysia (Kumar et al., 2009, p.211).

In this article they modified the SERVQUAL model and considered six dimensions; tangibility, reliability, responsiveness, assurance empathy and convenience and these consist of 26 statements. They considered convenience because it is an important determinant of satisfaction for banking customers in Malaysia and contributes very highly in the customers' appreciation of the quality of services offered by the bank (Kumar et al, 2009, p. 214). The respondents are asked questions based on the 26 statements and they seek to know about their expectations and experience. They carried this study on banking customers regardless neither of which bank you use nor how you do your transactions, could be domestically, internationally among others (Kumar et al, 2009, p.215).

After they carried out their study they realized that there are four critical factors; tangibility, reliability, convenience and competence. These variables had significant differences between expectations and perceptions with tangibility having the smallest gap and convenience has the largest gap. They end up with the recommendation that banks need to be more competent in delivering their services and fulfilling the assurance of customers and providing the banking services more conveniently (Kumar et al, 2009, p.211). Curry et al., (2002, p.197) in an attempt to assess the quality of physiotherapy services used the SERVQUAL model and three physiotherapy services in Dundee, Scotland.

They considered the ten original criteria for evaluation and combined them into five; tangibles, reliability, responsiveness, assurance (including competence, courtesy, credibility, and security) and empathy (including access, communication, and understanding). The quality gap is measured with these five dimensions with the application of an adaptable 22 item survey instruments. The survey involves questions relating to customers expectations and perceptions. They sought to measure five gaps developed by Parasuraman et al., (1985).

They found out that the services were highly appreciated by customers even though they realized that the perception gaps were slightly negative and the services could be improved. Their studies proved that assurance and empathy were very important in their research. In spite of the criticisms of the SERVQUAL model they confirm its 33 potential applicability in measuring service quality in the public sector to determine consumer priorities and measure performance. While this study intended to assess the service quality and customer satisfaction using SEVQUAL model these differences are expected to influence the result of the study, although they may be somehow related.

2.4. Conceptual Framework

The conceptual framework (Figure 2.4) explains the underlying process, which is applied to guide this study.
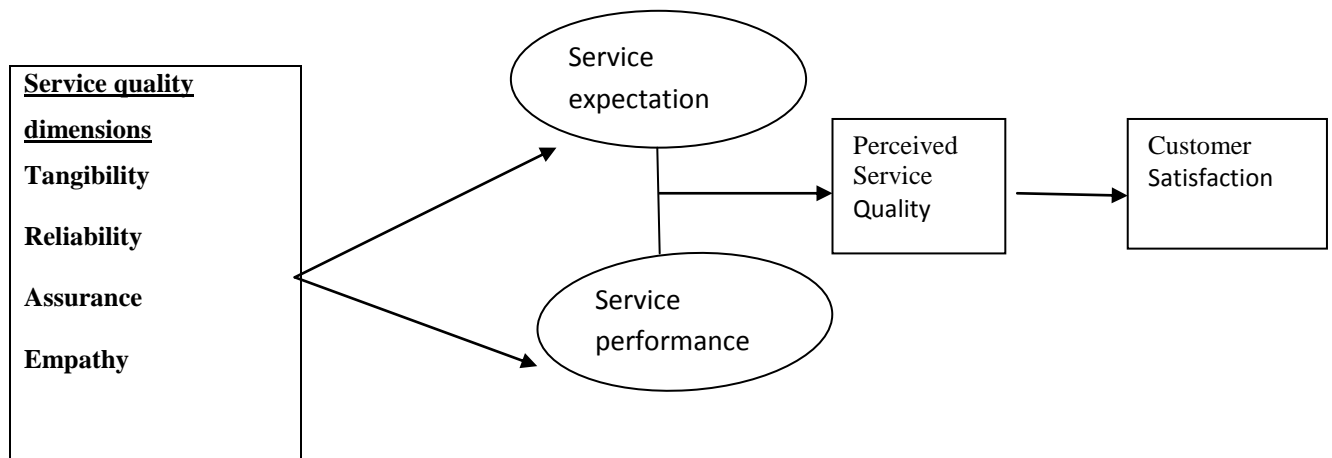
 Figure 2.4: Conceptual Framework

Source: primary data (2017)

2.5. Historical Overview of Ethio-Telecom

The introduction of telecommunication services in Ethiopia dates back to 1884, seventeen years after the invention of telephone technology in the world. It was Minilik II, the King of Ethiopia, who introduced telephone technology to the country around 1884, with the installation of 477km. long telephone and telegram lines from Harar to Addis Ababa. ETC is the oldest public telecommunications operator in Africa. In Ethiopia mobile phone service introduced in 1991 E.C by 36,000 lines, but now has shown dramatic change on coverage and in subscribers' number has scored 18 million lines. And also, currently ethio-telecom has the potential to provide 23 million lines (ethiotelecom, 2014).

It is a state owned enterprise and the sole telecom service provider in the country. The telecommunication services in Ethiopia have made rapid stride both in quality and quantity. However, the users at large are on question with quality and quantity of the services made available to them.

The process of technological sophistication has gained the momentum but the users are yet to get the quality and quantity of service (Tele Negarit, 2007). The poor sector management coupled with the lack of capital has resulted in Ethiopia having one of the lowest teledensities in the sub-Saharan region of a mere 0.5%. This is expected to increase to 1% of the population when the seventh development program is finished. Distribution of telecommunication services is highly skewed with 90% of telephones found in the urban areas and 50% in Addis Ababa alone. Addis Ababa has 4% of the population.

In terms of institutional development, only one operator, state-owned ETC, which was formed in October 1996 through Proclamation 10/1996 ETC holds monopolies across all major services including fixed line, mobile cellular, data, VSAT, VANS and internet. Although the government has taken a liberalizing stance in principle since 1996, no new operators have established themselves in Ethiopia since then. Recently the government launched a crackdown on alleged 'illegal' cyber café operators citing that only the incumbent ETC may operate such a service. However, the government was considering licensing another cellular operator in 2000. Privatization of ETC is also not planned. Digitization of switches stands at 12%, much lower than most countries in the region (ethio telecom, 2014).

ETC provides national and international telecommunications services, using communication media of satellite, optical fiber, microwave, multiple access radius, very small aperture, ultra high frequency and very high frequency. Currently, it provides the following major types of service packages such as landline and wireless fixed, mobile, internet and data services for its government, business, and private and other non-government organizations which are locally and internationally.

This is an exciting time for telecommunications development, since new technologies are revolutionizing the services worldwide. These fundamental and rapid changes being experienced by telecommunication markets throughout the world are brought about among other factors primarily by the technological developments and by competition oriented reform policies. This creates different expectation on customers' perception towards the product or service of the company. In these days globalize and borderless market, responsiveness, quality and productivity are essential for the survival and growth of any organization. These factors depend mainly on the attraction and retention of customers. Customer satisfaction significantly affects company performance and survival. Thus customer orientation is the main focus for any successful business organization to be successful in the market place (Samuel,2006).

Through Proclamation 49/96 and 47/99, the government established a regulator, Ethiopia Telecommunications Agency (ETA) to manage the sector.

2.5.1. Regulatory Environment

Telecommunications services were separated from posts and became an autonomous entity under the Ministry of Transport and Communications by the enactment of

Telecommunication Proclamation No. 131 of 1952. Through this proclamation, a telecommunication entity that regulates and operates telecommunication services, called the Ethiopian Telecommunication Board, was established.

The name "Ethiopian Telecommunication Board" was later changed to Ethiopian Telecommunication Authority, without any change to the entities functions. The Ethiopian Telecommunication Authority was working as an operator and regulator until the promulgation of Proclamation No. 49/1996 that established a separate federal telecommunication regulatory entity called Ethiopian Telecommunication Agency (ETA).

CHAPTER TRREE
RESEARCH METHODOLOGY

3.1. Research Design

A descriptive research design was undertaken for this study, since this thesis is about the study of customer satisfaction with service delivery of ethio-telecom regarding on mobile service, the descriptive research design helps to describe or portray a reality regarding customer satisfaction with service quality, to better understanding those service quality dimensions that customers are satisfied or dissatisfied and to explore the relative importance of service quality dimensions in Ethiopia's mobile telecom market. As a part of research method, both quantitative and qualitative survey design techniques was possessed with an intention to gather enormous consumer's responses towards service delivery of ethio-telecom regarding on mobile phone service.

The quantitative method was chosen to make it easy for conversion of information obtained into statistical models for general analyses to be made and the research questions to be answered based on the statistical models and the qualitative method was chosen to be used for in-depth information.

3.2. Population and Sampling Techniques

When conducting research one cannot study everybody everywhere doing everything (Miles &Heberman, 1994). Denscombe (2003) stated that, it is not possible for researchers to collect data from all those categories being investigated; however, a researcher attempts to get evidence from a section of the category through sampling techniques.

The sample frame for this study selected was only the present Ethiopian telecommobile telephone customers of civil servants which are living in the country's capital Addis Ababa. In other words this research covered only the customer's service delivery in four Addis Ababa zonal offices (North Addis Ababa, East Addis Ababa, Central Addis Ababa, and South Addis Ababa Zones). Out of more than 2.5 million subscribers or customers in Addis Ababa the proportion of civil servants are estimated to be 72,619.

According to Fisher, (2007) the size of sample depends on the size of margin of error and the size of population. The authors applied the sampling technique by accept 5% of margin of error in order to make our report more reliable. Therefore, the estimating sample survey

result for study population of 72,619 is 270 samples with 5% margin of error. The sample size was determined with the use of Top man formula as presented below.

$$n = \frac{E\ PxQ}{Z^2}$$

Where:

n = required sample size

Z = Precision Level (i.e. 1.64)

P = Probability of positive response (0.2)

Q = Study Population Size

E = Tolerable error (0.05)

Therefore, the sample size will be: $n = \frac{E\ PxQ}{Z^2} = \frac{0.05*72,619*0.2}{1.64^2} = \mathbf{270}$

Based on this formula sample size of 270 respondents are selected from mobile telephone user civil servants in Addis Ababa city. For achieving the research objective simple random sampling method is selected. This was to ensure that every member of the population had equal chance of being part of the sample. Mostly these were selected based on the issues like willingness, and the time allotted by the respondents for the collection of information.

3.3. Types of Data and Tools

Data can be classified as either primary or secondary in nature. Secondary data essentially includes information found within books, magazines, journal articles, websites and catalogues and which provides information which may have been collected for other purposes (Ghauri&Gronhaug, 2005). Primary data on the other hand is gathered in the event that secondary data is not available to answer a specific research problem the researcher seeks to solve.

In this study the primary data collected through questionnaire. The questionnaire type which the researcher used structured questionnaire, this types of questionnaire selected to involve a high number of close ended questions and less number of open ended questions. The questionnaire was constructed through in Amharic and English language.

And secondary data are collected for some purpose other than the problem at hand. In this study secondary data was collected from online articles, journals and books.

3.3.1. Research Instrument

Data analysis involves examining, categorizing, tabulating or otherwise recombining the collected data. Every investigation should have a general analytical strategy in order to determine what to analyze and why (Singh.Y.K (2006). A total of 270 questionnaires administered and collected in the capital city of Ethiopia, Addis Ababa. After the information and row data gathered from different sources, analysis and processing of data was possessed in a simplest and meaningful manner. Thus descriptive data analysis was used including by using percentage distribution, tabulation, figure and the collected data analyzed through the Statistical Package for Social Science (SPSS) by latest version 20.

3.4. Procedures of Data Collection

One sample T-Test: this is a statistical procedure that tests weather a single variable deviates from a specified constant or a cutoff point. The cutoff point may be a known population mean. This chosen procedure was deemed appropriate because a researcher wanted to find out customers who said they were satisfied with the services quality received or at least the service quality was equal to their desire or expectation. Again a researcher needed to specify a constant or cut off point to determined dimension considered by customers as important and those not important.

Researcher used the SERVQUAL model /Tangibles, Reliability, Responsiveness, Assurance and Empathy as the basis for the structured questionnaire because it provided information on the research questions in which it helps to know how consumers perceive service quality ethio telecom by assessing the difference between the expectation and perception of services experienced. This enable the researcher know over perceived service quality by customers and identity what items of the SERVQUAL dimensions consumers are satisfied with.

3.5. Methods of Data Analysis

The study carrying out a quantitative research and this will involve some quantitative analyses. The analysis part incorporates and finds out customer satisfaction with service quality dimensions; relative importance of service quality dimensions and descriptive statistical analysis of the three measures; ED, DD and OCS.

3.6. Credibility of the Research

Scientific methodology needs to possess the characteristics of credibility. In this study efforts were made to ensure credibility in terms of validity and reliability, which are important at every stage of the research work.

3.6.1. Validity

Validity refers to whether the statistical instrument what it is intended to measure, i.e. accuracy of measurement (Sullivan T.J. 2001; Saunders et al., 2007). Validity can be internal or external.

The following are the relevant forms of **internal validity** ensured in this study:

- *Face validity:* This type of validity is highly subjective, and does not provide enough proof of validity. For face validity in this study, it was logical to measure customer satisfaction with service quality using a questionnaire-based survey.

- *Content validity*: The questionnaire for this study was given to three master's students in marketing to review its content validity.

- *Criterion validity*: This refers to ensuring validity by showing a correlation between the measurement instrument and some other criterion. In this study, the questionnaire developed was compared with other similar validated SERVQUAL instruments that have been developed and used in several studies. This was to ensure that the item in the questionnaire match up with the validated ones.

- *Construct validity*: In this work, the construct validity was insured by deriving the determinants of customer satisfaction and service quality from existing disconfirmation theory and Gronroos SERVQUAL model.

External validity: this refers to the extent to which the result of a study could be generalized. In this work, to ensure external validity, the findings and results will be generalized to the settings and specifically to the ethio-telecom regarding on mobile service used in this study.

3.6.2. Reliability

Statistically, reliability is defined as the percentage of the inconsistency in the responses to the survey that is the result of differences in the respondents. This implies that responses to a reliable survey will vary because respondents have different opinions, not because the questionnaire items are confusing or ambiguous.

It could be estimated using stability or equivalence approaches. In this study the researcher did pilot test the questionnaire to strengthen its reliability.

Cronbach's alpha was also used to test it. Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. Based upon the formula _ = rk / [1 + (k -1)r] where k is the number of items considered and r is the mean of the inter-item correlations the size of alpha is determined by both the number of items in the scale and the mean inter-item correlations. George and Mallery (2003) provide the following rules of thumb: "_ > .9 – Excellent, _ > .8 – very Good, _ > .7 – Good e, _ > .6 – Acceptabl e, _ > .5 – Poor, and _ < .5 – Unacceptable" (p. 231). It should be noted that while a high value for Cronbach's alpha indicates good internal consistency of the items in the scale.

Table 3.6.2. Cronbach's Alpha Reliability Test

Dimensions	Overall Reliability Statistics for all Items	
	Cronbach's Alpha	Number of variables in each Item
Overall, DD, and ED	0.712	3
Tangible	0.721	4
Reliability	0.667	6
Responsiveness	0.647	4
Empathy	0.689	6
Assurance	0.642	6

Source: Data from SPSS output

According to the above rule of thumb the reliability test table on the above indicates that all the items for each dimension are relay on good or acceptable.

CHAPTER FOUR
RESULTS AND DISCUSION

4.1. Respondent's Characteristics

Table 4.1.1. Respondents' Gender

	Frequency	Percent
Male	145	53.5
Female	125	46.5
Total	**270**	**100**

Source: primary data (2017)

The respondents' gender as displayed in 4.1.1 indicates that the male 53.5% were slightly more than the female 46.5%. This further implies that there was a good representation of both genders in the sample.

Table 4.1.2. Age of Respondents

Age	Frequency	Percentage
18-29	84	31.0
30-40	131	48.3
41-50	45	16.6
51-60	9	3.3
Total	**270**	**100.0**

Source:primary data (2017)

Table 4.1.2 indicates the respondents' age. It is obvious that most of them were in the young adult age and economically active group, between the ages of 18-40 constituting 79%, while the rest constitute 20% made up of respondents above, 40 years.

Table 4.1.3. Respondent's occupation

Occupation	Frequency	Percentage
Civil servant	270	100.0
Total	**270**	**100.0**

Table 4.1.43displays the respondents' occupation. It indicates that all respondents were civil servants.

Table 4.1.4. Income level of respondents

Income Level	Frequency	Percentage
below 1000 birr	1	.4
1000-2500 birr	37	13.7
2500-4000 birr	88	32.5
above 4000 birr	144	53.4
Total	**270**	**100.0**

Source: primary data (2017)

Table 4.1.4 displays the respondents' income levels. It indicates that generally, a relatively larger number of respondents were above 4000 birr who constitutes 53.4%, 32.5% and13.7% were between 2500-4000 birr and from 1000-2500 birr respectively and there were one respondent who had below 1000 birr income and dependent on family.

Table 4.1.5. Respondents' Education

Education Level	Frequency	Percentage
Below grade 12	1	.4
Preparatory	4	1.5
TEVET	36	13.3
Diploma	99	36.5

Bachelor degree	114	42.1
Master's degree	16	5.9
PhD	-	--
Total	**270**	**100.0**

Source: primary data (2017)

Table 4.1.5 depicts respondents' level of education. Their education levels were normally distributed. All the respondents were educated, 42.1% were Bachelor's degree, 36.5% were Diploma holder and 13.3% and 5.9% were TEVET and Master's holder and the least one is below grade 12 and preparatory constitutes 1.9%.

4.2. Results /Findings of the Study

4.2.1. Results of disconfirmation measures and overall customer satisfaction measure

Customers were asked to rate their satisfaction with service quality using desire disconfirmation (DD), expectation disconfirmation (ED) measures and overall satisfaction (OCS) measures. The ED measure had a five-point likert scale: "much worse than expected", "worse than expected", "equal to expectation", "better than expected", and "much better than expected". The scale for DD measure was also five-point likert scale from" much worse than desired" to "much better than desired". OCS measure used a five-point likert scale; "very dissatisfied", "dissatisfied", "neutral", "satisfied", and "very satisfied".

Table 4.2.1. Descriptive statistics of the three measures; ED, DD and OCS.

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
desire	270	1	5	1.68	.664	.441
expectation	270	1	5	2.94	.771	.595
satisfaction	270	1	5	2.03	.741	.549
Valid N (list wise)	270					

Source: primary data (2017)

Table 4.2.1.indicates that the mean rating of customer satisfaction using DD measure is 1.68with standard deviation of 0.664while using ED measure, the mean is 2.94with standard deviation of 0.771being the highest. Using OCS, the mean rating was 2.03with standard

deviation of 0.741. This means that the mean rating of customers using ED, DD and OCS were all below their desire cut of point of three (3), and but DD has a wider deviation than the other ED and OCS measures.

A summary of the results of customer satisfaction rating regarding on DD, ED and OCS is presented in Figure 4.2.2 below.

Figure4.2.2. Satisfaction rating regarding on DD, ED and OCS
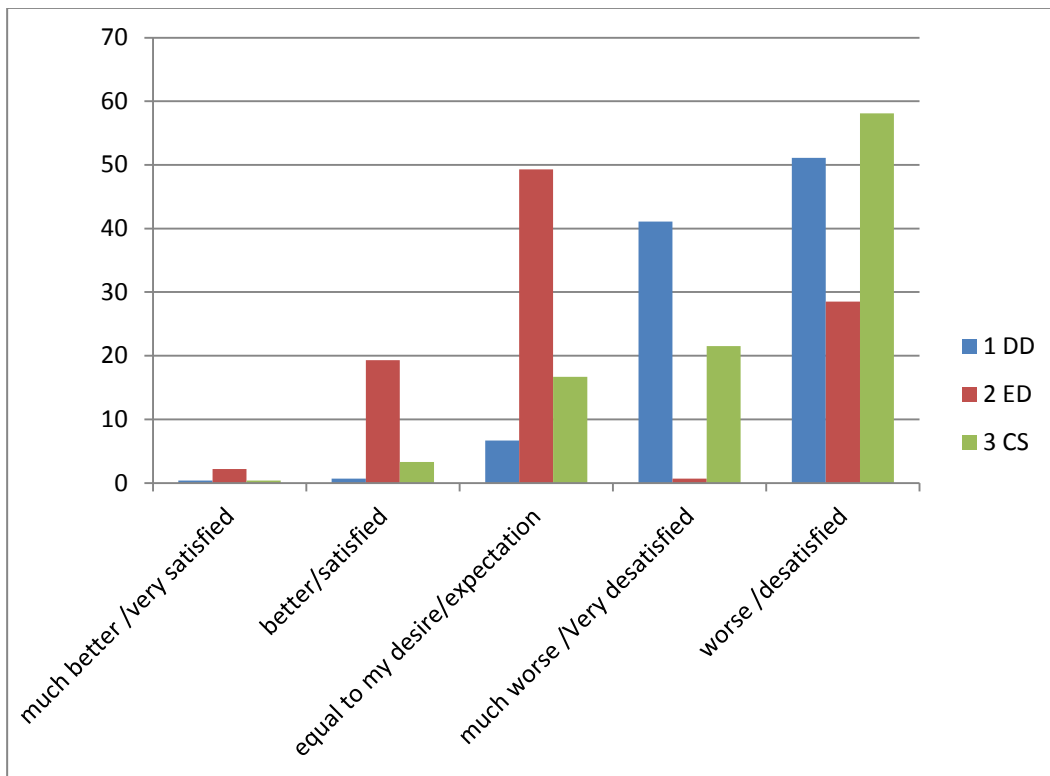
Source: primary data(2017)

It indicates that using DD measure, 51.1 % and 41.1%f the respondents rated their satisfaction as much worse than desired and worse than desired respectively,6.7 % of the respondents rated their satisfaction as equal to their desire, 4 % of the respondents rated as much worse than desired and 0.4% of respondents rated their satisfaction is much better than desired and the least 0.7% of the respondents rated their satisfaction as better than desired.

Then using ED while 0.7 % and 28.5 % of the respondents rated their satisfaction as much worse than expected and worse than expected respectively,49 % of the respondents rated their satisfaction as equal to expected, and 2.2% and 19.3 % of respondents rated their satisfaction as better and much better than expected. Finally, using OCS measure, 58.1 % and 21.5%of the respondents rated that overall they were dissatisfied and very dissatisfied

respectively, 16.7% of the respondents as neither and 3.3 % and 0.4 % representing 3.7% rated their satisfaction as satisfied and very satisfied respectively.

4.3. Customer satisfaction with service quality dimensions

A detailed descriptive statistics of the result of customer rating of their satisfaction with service quality dimensions. So that in order to verify whether the mean differences are significant or not, a one sample T test should be conducted.

Table 4.3.1. One Sample T- Test for SERVQUAL Dimensions

One-Sample Test							
Test Value = 3							
						95% Confidence Interval of the Difference	
	Service Quality Dimensions	**t**	**df**	**Sig. (2-tailed)**	**Mean Difference**	**Lower**	**Upper**
Tan.1	Provision of visually attractive offices equipments and materials	-1.409	269	.160	-.078	-.19	.03
Tan.2	Ethio telecom ability to provide variety of entertainment facilities like TV, cafe etc	1.041	269	.299	.070	-.06	.20
Tan.3	How do you rate employees appearance attractiveness like working uniforms of employees.	-4.641	269	.000	-.289	-.41	-.17
Tan.4	How convenient are locations of ethio telecom offices for customers service delivery	2.751	269	.006	.163	.05	.28
Rel.1	How timely is the delivery of SMS, calls and other services?	-8.161	269	.000	-.522	-.65	-.40
Rel.2	How truthful (keeping promising) is ethio- teleco to provide and deliver its services?	-11.867	269	.000	-.700	-.82	-.58

Rel.3	How dependable and consistent is ethio-telecom in solving customer's complaints?	-12.113	269	.000	-.759	-.88	-.64
Rel.4	How able is ethio telecom to insist on error free records? Or service accuracy	-10.408	269	.000	-.667	-.79	-.54
Rel.5	Network clarity, speed for calls, SMS, internet and other services	-13.399	269	.000	-.870	-1.00	-.74
Rel.6	How ethio telecom is providing adequate network coverage	-15.681	269	.000	-.885	-1.00	-.77
Res.1	How responsive is ethio telecom to some prompt customer services and attend to customer needs/problems?	-10.528	269	.000	-.596	-.71	-.48
Res.2	How do you rate employee's sensitivity and willingness to help customers in emergency situations?	-6.972	269	.000	-.419	-.54	-.30
Res.3	How are the employees approachable and easy to contact?	-4.997	269	.000	-.315	-.44	-.19
Res.4	How is the employees' ability to communicate clearly with you?	-3.106	269	.002	-.200	-.33	-.07
Emp.1	Having convenient periods and terms for activation, recharge, and accounts suspension, free call times.	-4.978	269	.000	-.326	-.45	-.20
Emp.2	Having operating/working/ hours convenient to all customers	-.361	269	.719	-.022	-.14	.10
Emp.3	Having customers invitation program/customers day/ to recognize you as a frequent customer	-15.143	269	.000	-.922	-1.04	-.80
Emp.4	Employees attention and Efforts to understand specific customer needs	-8.581	269	.000	-.515	-.63	-.40
Emp.5	A culture or trend of Apologizing for any inconvenience caused to customers	-12.611	269	.000	-.785	-.91	-.66
Emp.6	the service /calls, SMS, internet/charge per second or minute	-15.051	269	.000	-1.004	-1.13	-.87

Ass.1	Ability to provide variety of value added services music access , internet, SMS, etc	-7.116	269	.000	-.452	-.58	-.33
Ass.2	Sincerity and patience in resolving customer's complaints/problems.	-8.421	269	.000	-.526	-.65	-.40
Ass.3	The behavior of employees in instilling trust and security in customers.	-11.912	269	.000	-.641	-.75	-.53
Ass.4	employees perception to consider customers as a key account	-9.570	269	.000	-.611	-.74	-.49
Ass.5	Employees use of required skill, knowledgeandcourtesyto answer customers questions or problems	-5.939	269	.000	-.381	-.51	-.26
Ass.6	Ability of ethio telecom to improve its weakness/customers complain/ based on their feed back As a learning organization	-9.170	269	.000	-.537	-.65	-.42

Source: primary data (2017)

In table 4.3.1 the mean differences, whether negative or positive are tested to really know whether it is significant or not in order to identify which dimension of service quality customers are satisfied with or not. Remember that in this study, using the significance of the mean difference and the confidence intervals. The mean satisfaction difference is significant where the corresponding significant value (p-value) is less than the chosen significant value of 0.05 (p<0.05). On the other hand the mean difference is not significant where it is more than or equal to the chosen significant value (p≥0.05). A significantly positive mean difference with positive confidence intervals means that customer satisfaction is significantly better or much better than expected, while on significantly negative mean difference with negative confidence interval means that customer satisfaction is worse or much worse than expected. Then, a confidence intervals with a positive and negative values means that customer satisfaction is at least equal to expectation.

The result is the table 4.3.1 show that twenty two (22) dimension items, all confidence intervals are negative; this implies that customer satisfaction is worse or much worse than expected for the following 22 dimensions; Tan3, Rel1, Rel2, Rel3, Rel4, Rel5,

Rel6,Res1,Res2, Res3, Res4, Emp1, Emp3, Emp4, Emp5, Emp6, Ass1, Ass 2,Ass3, Ass4, Ass5,ass6,

Again, since their confidence intervals have a positive value of include zero, it means that customer satisfaction is at least equal to expectation for the following three (3) dimension; Tan1, Tan2 and Emp2. Finally, for one (1) dimension item, since their confidence intervals are all positive values, it implies that customer satisfaction is better or much better than expected for the following 1 dimension; Tan4.

As summary of the customer satisfaction with dimensions of service quality based on the results in table 4.3.1 is displayed in figure 4.3.2.

Figure 4.3.2. Customer Satisfaction with SERVQUAL Dimensions
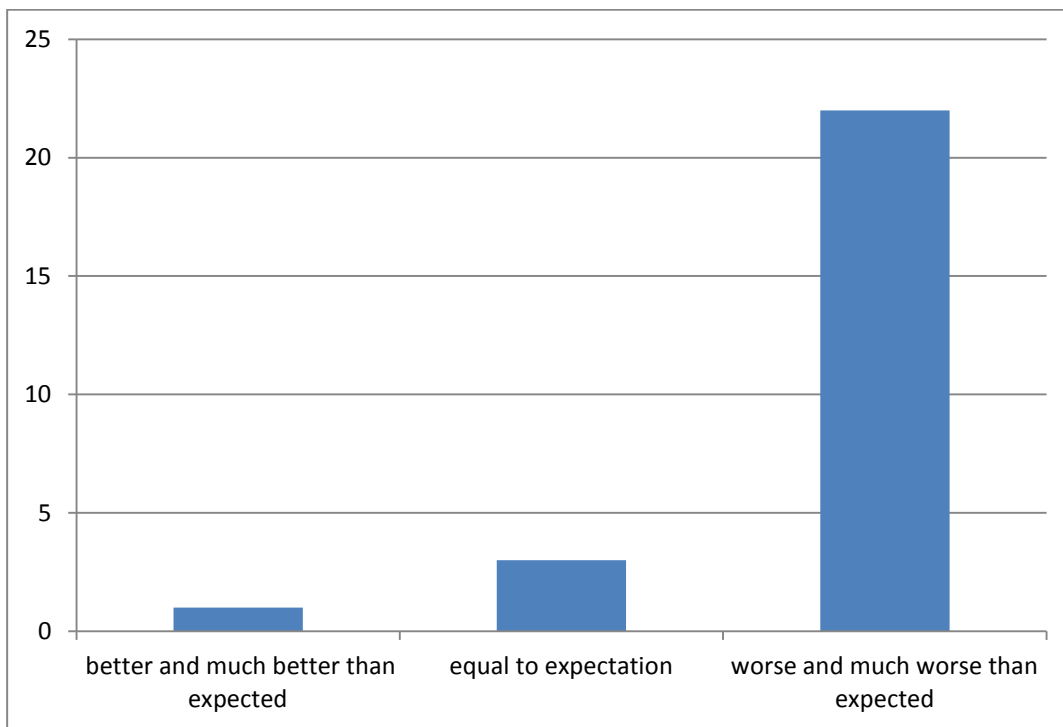
Source: primary data (2017)

Precisely, one of the dimension are related better than expected with means significantly equal to the cut of value of three (3), three (3) dimension items were rated significantly rated as equal to expectation, and twenty two (22) dimension items were significantly rated below the cut of value of 3. In all four (4) dimensions were significantly rated by customers as at least equal to or better than expectation while 22 were worse and much worse than expected.

4.4. Importance of SERVQUAL Dimensions

Customers were asked to rate the importance of service quality dimensions on the five-point likert scale: "not- at- all- important"," unimportant", "and important", and "very important". A summary of descriptive statistics is present in table 4.4.1. It indicates that all of the fife (5) dimensions had a mean above 4.

Table 4.4.1. summary descriptive statistics of important SERVQUAL dimensions.

Dimensions	N	Mean	Std. Deviation	Variance
TANGIBLES	270	4.09	.894	.799
RELIABLE	270	4.68	.680	.462
ASSURANCE	270	4.57	.674	.454
RESPONSIVENESS	270	4.67	.563	.317
EMPATHY	270	4.54	.793	.628
Valid N (leastwise)	270			

Source: primary data (2017)

In order to identify the important and unimportant dimensions, a one sample T- test was used to test the significance of the mean importance rating at 0.05 significance level and with a specified constant or cut of values of (4) to split service quality dimensions that are important from those that are not important to customers, the result are summarized in table 4.4.2.

Table 4.4.2. one sample test for importance of SERVQUAL dimensions.

One-Sample Test for importance of SERVQUAL dimensions.

| Dimensions | Test Value = 4 | | | | | | Remarks |
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | | |
					Lower	Upper	
Tangibles	1.566	269	.119	.085	-.02	.19	important
Reliability	16.024	269	.000	.685	.64	.74	Important
Assurance	13.907	269	.000	.570	.49	.65	Important
Responsiveness	19.667	269	.000	.674	.61	.74	Important
Empathy	11.288	269	.000	.544	.45	.64	Important

Source: primary data (2017)

Table 4.4.2 indicates that, all the dimensions are significant ($p < 0.05$). Four (4) of the dimensions of service quality had positive mean difference and confidence intervals, and so were rated as important to customers; Reliability, Responsiveness, Assurance and Empathy,. Notably, dimension of tangibles were a confidence intervals with a positive and negative values but had positive mean value (4.09) so that it indicate customers were rated the dimension important in receiving or using the services of a mobile network in Ethiopia.

As to which dimensions are perceived by customers as more important than others, Table 4.4.3 shows ranking of service quality dimensions in order of customers' priority.

Table 4.4.3 a prioritized dimensions of SERVQUAL

Dimensions	Rankings (In ascending orders)
Reliability	1
Responsiveness	2
Assurance	3
Empathy	4
Tangibles	5

Source: primary data (2017)

Table 4.4.3 indicates that the most important service quality dimension to the customers is reliability, followed by responsiveness, assurance, empathy and Tangibles being least important to the customers.

Table 4.4.4 SERVQUAL dimension priority-satisfaction matrix

	Better or Much better than expected	At least equal to expectation	Worse or Much worse than expected
Reliability			Rel1, Rel2, Rel3, Rel4, Rel5, Rel6
Responsiveness			Res1,Res2, Res3, Res4,
Assurance			Ass1, Ass 2,Ass3, Ass4, Ass5,ass6,
Empathy		Emp2.	Emp1, Emp3, Emp4, Emp5, Emp6
Tangibility	Tan4.	Tan1, Tan2	Tan3

Source: primary data (2017)

The dimension priority-satisfaction matrix (Table 4.4.4.) shows customer satisfaction for each of the prioritized dimension of service quality. The table indicates that there is no very satisfied dimension item that is more important to customers: while one item is less important to customers; Tan4.

Then, for the least satisfied dimension items, there are no very important items that customers were satisfied and while three are less important Emp2, Tan and Tan2.

Finally, for the dissatisfied dimension items,16 of them are very important to customers accordingly: Rel1, Rel2, Rel3, Rel4, Rel5, Rel6; Res1,Res2, Res3 Res4,Ass1, Ass 2,Ass3, Ass4, Ass5and ass6; while 7 are less important:, Emp1, Emp3, Emp4, Emp5, Emp6,and Tan3.

4.5. The data collected through open ended questions summarized below

1. What kinds/types of mobile service should start and include in order to met or satisfy your needs/desires?

▪ According to most of the respondents in order to met or satisfy their needs/desires, expressed their idea to start and include additional important mobile services, most of the respondents answered that they become very satisfied if ethio telecom provides services like: Multimedia Message Services (MMS), Fast internet connection, Credit mobile card reload service, Free call time and Extended and convenient discount call time.

2. How can express your complaints regarding on the current mobile phone services that are provided by ethio-telecom?

- Regarding on the current mobile service that is provided by ethio-telecom, there are many complains. Among them: Network clarity and speed for call is too bad, there is no adequate and quality network coverage and also availability of network is not fair among all cities, Discount call time is too short and the time is not convenient, the call charge per minute/second is too expensive compared with other countries, repeatedly sending of advertising messages are boring and delivering prompt service for customer is poor.

3. The only provider of telecommunication service in Ethiopia is ethio-telecom this shows that market monopoly system, so that what do you think about this system and what is your ambition to the future?

Most of respondents suggest their idea about market monopoly system is negative because of the following reasons:

- Market monopoly system is one of the bottlenecks to one country growth and development due to lack of competition.
- In order to assure service quality, competition is needed and the critical one, therefore market monopoly system completely denied/has no competition. As a result of this with market monopoly system it's difficult to consider customers personalized service and quality.

Generally, most respondents have great ambition/feeling to see free market system as many African countries to get different personalized service and to alleviate the current numberless mobile service problem in our country.

4.6. Discussions

In this study the purpose was to measure customer satisfaction with service quality delivered by ethio-telecom with regarding on mobile service. The study examined customer satisfaction with service quality dimensions, customer prioritized SERVQUAL dimensions.

Based on an objective analysis of data and discussion of results and findings, the following are the summary of major findings and conclusions of this study:

- Customers were asked to rate their satisfaction with service quality using desire disconfirmation (DD), expectation disconfirmation (ED), and overall satisfaction (OCS) measures. Most of the respondent rated that they were dissatisfied and very dissatisfied.

- Regarding satisfaction with service quality dimensions, customer satisfaction is better than expected for the following one (1) SERVQUAL dimension item: Tan4. Customer satisfaction is at least equal to expectation for these three SERVQUAL dimension items: Tan1, Tan2and Emp2. Then customers were dissatisfied with the following 22 (twenty two) SERVQUAL dimension; Tan3, Rel1, Rel2, Rel3, Rel 4, Rel 5, Rel 6,Res1, Res2, Res3, Res4, Emp1, Emp3, Emp4, Emp5, Emp6, Ass1, Ass 2,Ass3, Ass4, Ass5,ass6,

- According to customer priority, reliability is the most important dimension, followed by responsiveness, and assurance, while empathy and Tangibles are the least important dimension to the customers.

- Most of the customers-satisfied dimension items are less important to customers, while most of the customer-dissatisfied dimension items are more important.

4.6.1. Implications of the Findings to Regulators and Policy Makers

It has been found in this study that generally customer satisfaction with service quality with regarding on mobile service is too low or less than expected and desired. This implies that policy makers and body of regulator/ government/, need to be awakened to this empirical fact and take pragmatic steps to insure that mobile service in Ethiopia improve their efficiency and effectiveness in the provision of telecommunication services that meet and exceed customer need, desire and expectation.

This can be done by sensitizing and encouraging ethio-telecom to focus more attention and resources on more important service quality dimensions for which customers are not satisfied and to focus little attention on unimportant and less important dimensions. There is the need for ethio-telecom to focus on important product/service attributes that are rated important and very important by customers.

In this regard, first of all, efforts and resources should be focused on improving reliability, responsiveness, assurance, empathy and tangibility of the service quality delivered orderly. Within this SERVQUAL dimensions, more management efforts and intensive strategy must be geared towards improving up on important dimensions for which customers are not satisfied.

For important SERVQUAL dimensions customers are totally dissatisfied, strategies management efforts are need to make significant improvement in the service quality. This would require a total transformation in operational efficiency of the mobile service to achieve customer satisfaction in the following SERVQUAL dimension items that the customers' are totally dissatisfied, specifically in areas like:

- Success in completion of calls, SMS, activation, card reloading and other services
- Providing adequate network coverage
- Faire mobile service /calls,SMS, internet/charge
- Network quality: clarity and speed for calls and other services
- Becoming truthful and keeping promise to provide and deliver its services
- Having sensitivity and willingness to help customers in emergency situations
- employees perception to consider customers as a key account
- Innovativeness ability to use current technology to improve services
- Having sound loyalty program to recognize frequent customers
- Having the customer's best interest at heart
- Giving individual customers attention by employees

Also "Assurance" service quality, management should develop strategies to improve up on the "ability to provide variety of value added services-music, access to internet, SMS, and" sincerity and patience in resolving customers' complaints/problems.

Furthermore, some attention and effort should be given to sustain the empathy and tangible dimensions that are less important to customers, so that, less strategic effort should be devoted to them.

Finally, in Ethiopia mobile service, the regulator and ethio-telecom should make marketing seminar and workshops to seek meeting and exceeding not only the expectations of customers but also customer desired set of service quality and experiences. This is because it has been verified in this study that desire and expectation disconfirmation simultaneously and individually explains customer satisfaction in Ethiopia telecom market.

CHAPTER FIVE
CONCLUSION AND RECOMENDATION

5.1. Conclusion

The main purpose of this study was to assess service quality and customer satisfaction using SERVQUAL model from ethio telecom current business set ups. It also reveals how customers of ethio telecom perceive service quality, see how applicable the SERVQUAL model in the context of ethio telecom using its dimensions to measure service quality , factors hindering customer satisfaction and what to be done to improve customer satisfaction in ethio telecom. Knowing how customers perceive service quality and being able to measure service quality will benefit management of service organizations including ethio telecom. Measuring service quality helps management to provide reliable data that can be used to monitor, maintain and improve service quality. Findings show that customers are not satisfied with service quality delivered by ethio-telecom in Addis Ababa regarding on mobile service or that their satisfaction is considered too low, but customer satisfaction is better than expected and at least equal to expectation on some service quality dimension items. According to customer priority, reliability is the most important dimension, followed by responsiveness, and assurance, while empathy and Tangibles is the least important dimension to the customers accordingly and the study results indicates that perceived service quality leads to customer satisfaction and it implies customers expects more than what they perceive therefore ethio telecom must strive hard to improve all the service quality dimensions for improved customer satisfaction.

5.2. Recommendation

- Ethio telecom should conduct ongoing research on service quality and customer satisfaction to understand the changing customers satisfaction levels against offerings on what should be done and what strategies to be implemented in order to achieve customer satisfaction goals.
- Ethio telecom should Prioritizing and identifying which dimensions of service quality customers are satisfied with and which ones they are dissatisfied with. It helps to improving service quality with customer dissatisfied dimensions, while maintaining or increasing attention and resources on dimensions those customers are satisfied with.
- Ethio telecom should not just rely on profit margins as good indicator of business performance, rather; they should develop strategies that will assist them to capture customers' perceptions on demand.
- Ethio telecom infrastructures like network towers should be improved. More investment should be made in new modern technologies to diversify network system options and availability that is recommended for improved service quality and reliability.
- Ethio telecom should revise various mobile service /calls,SMS, internet/charges. Strategic reduction of service charge enables to attract new customers and encourage the existing customers.
- Ethio telecom should improve employee's technological skill and customer service knowledge by conducting adequate and successive training programmes and applying bench marking strategy from other abroad competitive and successful companies.
- Ethio telecom staff should always listen customer wants and desires because customers don't buy products or services; they sometimes buy solutions to problems.

  This study mainly assessed and analyzed customer satisfaction with service quality in Ethiopia in case of Addis Ababa. It is recommended that further research should:

  - Assess customer satisfaction with specific service areas delivered across mobile telecom service such as the delivery of SMS, Internet services, and Customer services.
  - Examine customer satisfaction with fixed lines.
  - Assess customer satisfaction with prepaid telecom service.

Finally, this study was a questionnaire-based survey and used a mixture of qualitative and quantitative approaches. It is therefore, recommended that different models and methodology should be used for a similar study and compares the results.

Reference

Anderson, E.W., Fornel, C. & Lehmann, D. R. (1994).Customer satisfaction, market share and profitability.*Journal of Marketing,*56, 53 -66.

Bitner, M., Booms, B., &Tetreault, M. (1990). The service encounter: diagnosing favourable and unfavourable incidents. *Journal of Marketing,*54(1), 71-84.

Boshoff, C., and Gray, B. (2004).The Relationships between Service Quality, Customer Satisfaction and Buying Intentions in the Private Hospital Industry.*South African Journal ofBusiness Management,* 35(4), 27–37.

Douglas, L. (2003). The expectation gap,nutrition&food science. *Attitudes to service quality ,* Vol.33 number 4 p.165-172.

Edvardsson, Bo. (1998). *Service quality improvement, Managing Service Quality,* Vol.8. Number 2, p. 142-149.

Fen, Y. S. &Meillian, K. (2005). Service quality and customer satisfaction: Antecedents of customer‟s re-patronage,*Sunway Academic Journal,*4, 60-73.

Giese, J. L., & Cote, J. A. (2002). Defining Consumer Satisfaction, *Academy of Marketing Science,*2000, (1), 1-24

Gronroos, C. (1982). Aservice quality and its marketing implications.*European Journal of Marketing ,* Vol.18,Number 4,p.36-44.

Gro¨nroos, C. A. (1984). Service model and its marketing implications.*European Journal of Marketing*, 18 (4), 36-44.
Gro¨nroos, C. (1990). "Service Management: A Management Focus for Service Competition". *Inter- national Journal of Service Industry Management,* 1(1), 6-14

Grönroos, C. (2000). Service Management and Marketing: *A Customer Relationship Management Approach* (2nd ed.). John Wiley & Sons, Ltd.

Hall Brady, M. K., and Robertson, C. J. (2001).Searching for a Consensus on the Antecedent Role of Service Quality and Satisfaction: An Exploratory Cross-National Study.*Journal of Business Research*, 51(1), 53–60.

Internet, w. w. wethio telecom.et and w. w. Wetc net.et

Johns, N. (1999). What is this thing called service? *European journal of marketing* ,Vol.33,number 9/10,p.958-973.

Kotler, P., & Keller, K. (2006).*Marketing Management*(12th ed.). Pearson Education Inc, New Jersey.

Lovelock, C., &Wirtz J. (2007).*Services Marketing: People, Technology, Strategy* (6th Ed.), Pearson Prentice Hall, New Jersey.

Malhotra, N. K. (1996). Marketing Research: *An Applied Orientation*.Prentice Hall.

McLuhan, M. (1964). Understanding Media: The Extensions of Man, New York: Mentor in Levinson, Paul (2000). McLuhan and Media Ecology, Proceedings of Media Ecology Association, Vol. 1, Available at: http://www.media-ecology.org/publications/proceedings/v1/levinson01.pdf, Accessed on: 12 December 2003.

Meyvis, T. and Janiszewski, C. (2002). Consumers' Beliefs about Product Benefits: The Effect of Obviously Irrelevant Product Information. *Journal of Consumer Research*28: 618-635.

Miles, M., B., Huberman, A., M., (1994).Qualitative data analysis: *an expanded sourcebook.*(2nd ed.). Thousand Oak, CA: Sage Publications.

Negi, R. (2009). Determining customer satisfaction through perceived service quality: Astudy of Ethiopian mobile users.*International Journal of Mobile Marketing.*4(1) 31-38.

Parasuraman, A., L. Berry, et al. (1985). A Conceptual Model of Service Quality and Its Implications for Future Research, *Journal of Marketing*, 49: 41-50.

Parasuraman, A., L. Berry, et al. (1988). SERVQUAL: A Multi-Item Scale for Measuring Consumer Perceptions of SQ. *Journal of Retailing,*64(1): 12-40

Rust, R.T. & Oliver, R. L. (1994). Service quality: insights and managerial implications from the fron- tier", in Rust, R. and Oliver, R. (Eds), Service Quality: *New Directions in Theory and Practice,* Sage Publi- cations, Thousand Oaks, CA, pp. 1-20.

Saravanan, R., &Rao, K. S. P. (2007).Measurement of service quality from the customer"s perspective – An empirical study, *Total Quality Management*, 18, (4), 435-449.

Spreng, R. A., and Mackoy, R. D. (1996).An Empirical Examination of a Model of Perceived Service Quality and Satisfaction.*Journal of Retailing,* 72(2), 201–214.

Tele Negarit, ―Birds Eye View of the Ethiopian Telecommunications Corporation in the Past Millennium‖, Vol. 44, No. 1, pp. 40-43.

Turban, Efraim (2002).*Electronic Commerce:A Managerial Perspective,* New York: Prentice

APPENDIX A
FOCUS GROUP INTERVIEW GUIDE

Moderator /researcher lead the introduction time of participants and discuss the purpose of the interview.

Number of participants=10

Activities	Times/minutes
1.**preliminary test of draft questionnaire** • Tell participants to read silently the questions on the questionnaire and give their comments on any question that is not clear in construction and meaning to them.	20
2.**Servires delivered by ethio telecom regarding** **On mobile service** • Ask about their knowledge of services delivered by ethio-telecom.	10
3.**Break time**	10
4.**Dimensions of service delivery** • Ask questions on what they think makes a service delivered a good quality. • Ask their view about which dimensions are importantfordelivering quality service andafter discussionreceiving valuable comments.	30
Total time has taken	70

The purpose of this FGI is to pre-test and develop the draft questionnaire in an attraction and proper manner. Here It is not the participant to answer but for their comment on clarity of the items.

APPENDIX B

Questionnaire for the customers of ethio-telecom

A dear mobile phone subscriber/customer/, this questionnaire is designed to collect information about how you feel about the service delivery of ethio-telecom in Ethiopia regarding on mobile phone service at least for the last 12 months. Your responses will be treat confidential and use for only academic purpose. I am master's student of the University of Sent Merry, in the department of marketing management.

Directions:

Please tick (√) or (X)in appropriate box for your answers.

I. Personal information

1. Sex (Gender)   Male ☐   Female ☐

2. Age

   Below 18 years   19-28   ☐   29-40   ☐   ☐

          41-5051-60   60 and above ☐   ☐   ☐

3. Monthly income?

   Below Birr 1000 ☐   Birr 1000-2000 ☐   Birr 2000-4000 ☐

   Above Birr 4000 ☐   Dependent on family/student ☐

4. Educational level or professional qualifications?

Please select only one:

   Below TEVET ☐   TEVET/ preparatory ☐   Diploma ☐

   Bachelor Degree   Masters Degree ☐   PhD ☐   ☐

II. Questions regarding on customer satisfaction with service delivery

1. How well did the services you received from Ethio-telecom with your ideal /desired set of service?

Much worse than desired	Worse than desired	Equal to my desire	Better than desired	Much better than desired
1	2	3	4	5

2. To what extent have your mobile service provider Ethio-telecom meet your expectations?

Much worse than expected	Worse than expected	Equal to my expected	Better than expected	Much better than expected
1	2	3	4	5

3. Overall, tell how satisfied or dissatisfied you are with service delivery of Ethio-telecom?

Very dissatisfied	Dissatisfied	Neither	Satisfied	Very satisfied
1	2	3	4	5

III. Questions regarding on customer satisfaction with service quality dimension

In your opinion how does the service quality of Ethio-telecom your expectations in terms of the dimensions?

Use these responses from 1-5 to answer where

1. Much worse than expected

2. worse than expected

3. Equal to expectation

4. Better than expected

5. Much better than expected

Direction

Circle only one option in 1-5 dimensions

	1. Tangibles					
1	Provision of visually attractive offices equipments and materials	1	2	3	4	5
2	Ethio telecom ability to provide variety of entertainment facilities like TV, cafe etc	1	2	3	4	5
3	How do you rate employees appearance attractiveness like working uniforms of employees.	1	2	3	4	5
4	How convenient are locations of ethio telecom offices for customers service delivery	1	2	3	4	5
	2. Reliability					
1	How timely is the delivery of SMS, calls and other services?	1	2	3	4	5
2	How truthful (keeping promising) is ethio- teleco to provide and deliver its services?	1	2	3	4	5
3	How dependable and consistent is ethio-telecom in solving	1	2	3	4	5

	customer's complaints?					
4	How able is ethio telecom to insist on error free records? Or service accuracy	1	2	3	4	5
5	Network clarity, speed for calls, SMS, internet and other services	1	2	3	4	5
6	How ethio telecom is providing adequate network coverage	1	2	3	4	5
	3. Responsiveness					
1	How responsive is ethio telecom to some prompt customer services and attend to customer needs/problems?	1	2	3	4	5
2	How do you rate employee's sensitivity and willingness to help customers in emergency situations?	1	2	3	4	5
3	How are the employees approachable and easy to contact?	1	2	3	4	5
4	How is the employees' ability to communicate clearly with you?	1	2	3	4	5
	4. Empathy					
1	Having convenient periods and terms for activation, recharge, and accounts suspension, free call times.	1	2	3	4	5
2	Having operating/working/ hours convenient to all customers	1	2	3	4	5
3	Having customers invitation program/customers day/ to recognize you as a frequent customer	1	2	3	4	5
4	Employees attention and Efforts to understand specific customer needs	1	2	3	4	5
5	A culture or trend of Apologizing for any inconvenience caused to customers	1	2	3	4	5
6	the service /calls, SMS, internet/charge per second or minute	11	2	3	4	5
	5. Assurance					
1	Ability to provide variety of value added services music access , internet, SMS, etc	1	2	3	4	5
2	Sincerity and patience in resolving customer's complaints/problems.	1	2	3	4	5
3	The behavior of employees in instilling trust and security in customers.	1	2	3	4	5
4	employees perception to consider customers as a key account					
5	Employees use of required skill, knowledgeandcourtesyto answer customers questions or problems	1	2	3	4	5
6	Ability of ethio telecom to improve its weakness/customers complain/ based on their feed back As a learning organization	1	2	3	4	5

IV. Importance of dimensions of service quality

In receiving or user services of your network, how important is each of the following dimensions to you? Use the scale 1-5 to answers where

1. Not- at- all- important

2. Not important

3. Neither important nor unimportant

4. Important

5. Very important

	Dimensions	Circle only one options 1-5				
1	TANGIBLES (The appealing nature of physical environment,)	1	2	3	4	5
2	RELIABLE (competence to give times, reliable services and truthful to promises like having good network clarity and coverage for call completion/services	1	2	3	4	5
3	ASSURANCE (assurance of security efficient, and variety of services)	1	2	3	4	5
4	RESPONSIVE (attending to customers' needs and complaints promptly any time)	1	2	3	4	5
5	EMPATHY (shows of respect, care, giving customer value for services receive and understanding to customers' needs)	1	2	3	4	5

V. Open ended questions regarding on customer satisfaction with service delivery

1. What kinds/types of mobile service should start and include in order to satisfying your needs/desires?Please state

………..

2. How can express your complains regarding on the current mobile phone services that provided by Ethio-telecom?……………………………………………………………………

…………………………………………………………………………………………………

3. The only provider of telecommunication service in Ethiopia is Ethio-telecom this shows that market monopoly system, so that what do you think about this system and what is your ambition to the future?

Please state…………………………………………………………………………------------

Thank you for taking time to complete this questionnaire!