



Analytical research for Safaricom Limited company

A customer Satisfaction survey

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Abstract:	
<p>The objective of this research was to measure and assess the level of customer satisfaction for Safaricom, to reveal problems that customers have come across and seek ways to improve products and services for this telecommunications company. The theoretical framework focuses on customer satisfaction, customer loyalty and the gap service quality model by Zeithaml and the total perceived quality model by Grönroos. The survey was conducted using questionnaires that were sent online and others given physically to participants. The author was limited in data collection and hence resulted to online survey that yielded more response than the physical data collection. Out of a possible 120 participants the response rate was 70%. The questionnaire consisted of 12 questions 2 of which were open-ended and required customer feedback. In the recent past, numerous surveys for Safaricom were conducted but focused on different products of this company offers. The author could therefore not compare these results to previous ones since this survey focused on the general satisfaction level for all products and services.</p> <p>The survey results indicated that the level of customer satisfaction for Safaricom's customers was good but not excellent and revealed fairly inefficient customer service as the most likely cause for dissatisfaction. Customers suggested that more action be taken to improve customer service and others hoped to see price reduction for mobile broadband.</p>	
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CUSTOMER SATISFACTION SURVEY FOR SAFARICOM

1 INTRODUCTION

Customer satisfaction can be gauged by the quality of products /services being rendered. Chakrapani argues that quality decreases the cost of doing business by increasing efficiency and by eliminating rework and waste that in the process, increases customer satisfaction. (Chakrapani 1998,3)

According to Chakrapani, customer satisfaction measurement is seemingly a subset of service quality measurement. He notes, “A product or service that enhances customer enjoyment is one that consistently meets customer needs and expectations.” This constitutes customer satisfaction.

Theories used for this study are: The gap model of service quality and dimensions of service quality by Zeithaml and the Total Perceived Quality theory by Grönroos.

In this research paper, the author will look into one Kenyan company that is in the telecommunications sector as a case study to determine the level of customer satisfaction. The name of this company is Safaricom Limited.

1.1 Background and choice of study

Safaricom is a service-providing company specializing in telecommunications. It is considered to be amongst the top performers in the industry in Kenya. With a highly competitive thriving telecommunications market that Kenya has to offer; it is of utmost importance for the telecommunications companies to take into consideration the level of its customers' satisfaction. (<http://www.theeastafrican.co.ke/news/-/2558/1003908/-/item/2/-/11vgatq/-/index.html> 06/09/2010)

Safaricom has already made a name for itself in the Kenyan market hence an interesting choice for the author who is a subscriber and a shareholder of the firm. The research studies done for this survey has been carried out for approximately six months.

Previously, there have been numerous surveys done with regards to independent Safaricom's products and services but the author has not come across a comprehensive survey on customer satisfaction for all of Safaricom's products and services. It is therefore not possible for author to make comparisons between this survey and other previous comprehensive surveys.

1.2 Research problem

In this research paper the author seeks to find out how satisfied Safaricom's customers are with the firm's services as well as to determine what problems these customers have come across. Objectively, this survey seeks to find ways in which Safaricom can improve and develop their services. Findings from this research paper will be submitted to Safaricom for implementation into its strategies to improve, expand or diversify its operations.

In any given industry, the level of customer satisfaction is vital for the growth of firms involved because of the competition amongst these firms. Higher levels of customer satisfaction lower the chances of customers changing their preferences in favor of the competitors.

According to Michael Solomon Et al “ When a product succeeds in satisfying a consumer’s specific needs or desires, it may be rewarded by with many years of brand or store loyalty, a bond between product or outlet and consumer that may be very difficult for competitors to break.” (Michael Solomon et al 2006, 5)

1.3 Objectives of the study

This customer satisfaction survey is bound to reveal the expectations customers have for Safaricom as well its evaluation on how it has performed in its yester years. This evaluation could be crucial for its growth when appropriately used to overcome its shortcomings in order to avoid the customers from shifting their preferences towards Safaricom’s rivals.

1.4 Limitations of the research

This research will involve a lot of online communication by the author to the respondents of the survey since the author is not located in Kenya where Safaricom Limited is located. Physical communication is a more effective way to carry out a survey because the surveyor can get to meet the respondents and ask more questions or better yet make conclusive observations on consumers- on whom the research is based.

The research is limited to Safaricom as a case study that is a limitation in itself. This will mean that the material to be collected during the survey should be only from Safaricom customers.

2 GENERAL DESCRIPTION OF THE RESEARCH FOCUS

2.1 Safaricom company presentation

Safaricom Limited Company started its global systems for mobile communications (GSM) operations on 16th May of 2002 when it actually became a public company with limited liabilities and ceased being a private company under the companies Act. It had been established in 3rd of April 1997.

Safaricom is a leading provider of converged communication solutions that also operates on matters of voice, video and data requirements as pointed out on the company's homepage. Safaricom provides broadband high-speed data to its clientele through its 3G network.

Safaricom is also involved in community services such as health, education, sports, culture and environment –related projects as a way to give back to the community. Such projects are shown on the company's homepage under “Safaricom centre”.

2.2 Objectives of the company

Offering unparalleled quality service and increasing their coverage in the country is their main focus. Safaricom has taken into account the customer segments in the telecommunications market and have relied on their understanding to provide for the unique clientele in order to succeed. Meeting the needs of its customers is also of utmost importance to Safaricom, which is echoed in their assertion that states that their service focus is on their customer. (<http://www.safaricom.co.ke/index.php?id=839> 06/09/2010)

2.3 Financial aspects of Safaricom

Safaricom is partly owned by the Government of Kenya 35%, Vodafone 40% and 25% is owned by the shareholders. It is worth forty billion Kenyan shillings in shares. This is approximately four hundred million Euros. Its market capitalization is worth two hundred and twenty two billion Kenyan shillings as at 31st of March 2010.

Safaricom is listed in the Nairobi stock exchange market with a rather low but steady share price ranging from 4-6 Kenyan shillings. This share price is interestingly low as it has been trading in the stock exchange market for more than 2 years having started at 5 shillings during its Initial Public Offering (IPO) way back in 28th March 2008. Some reports indicate the Safaricom IPO was oversubscribed by 532%. (http://news.xinhuanet.com/english/2008-05/31/content_8290022.htm 06/09/2010)

2.4 Competitors

Like any other company Safaricom is faced with the daunting task of having to face its competitors and performing well enough to emerge as Kenya's largest mobile telecommunications network service provider. With over 10 million subscribers it has clearly taken the lead in the market share at 78%. (<http://www.cellular-news.com/story/29920.php> 06/09/2010)

Safaricom's competitors are: Zain Kenya that has 10.4% market share, Essar with 6.4% and Telkom Kenya, which has, and 5.2% of the market share. (<http://www.businessdailyafrica.com/Company%20Industry/Safaricom%20gets%20reprise%20in%20review%20of%20competition%20laws/-/539550/977120/-/1nub66/-/index.html> 06/09/2010)

With its dominant role in the market, Safaricom has had a fair share of benefits until recently when its rival Zain Kenya introduced low-call rates as reported in the Business Daily Africa webpage that leaves Zain as the cheapest network a move that is set to increase its subscriber base. It could mean a shift from Safaricom for most of these subscribers.

In response to this move, the CEO of Safaricom Michael Joseph insists that the company is dedicated to delivering quality hence retaining a certain margin and indicated that the rates might go down in future as well.

Telcom Kenya as well as Zain charges much lower rates for international calls than Safaricom, which has seen an upward movement of subscribers to their networks. (<http://www.businessdailyafrica.com/Telcos%20price%20battle%20spreads%20across%20borders/-/539552/1020018/-/item/1/-/12lfiwjz/-/index.html> 29/09/2010)

According to Kotler (2000, 14) “competition includes all the actual and potential rival offerings and substitutes that a buyer might consider”. In this case, Safaricom ought take into consideration companies producing substitute products are competitors and should also be aware of their position relative to competitors.

Learning about the competitors’ strengths and weaknesses will assist in making strategic decisions and gaining competitive advantage. (Michael Porter 1998, 4) lists five forces that influence a company’s market and competition. These forces are: industry competitors, potential new entrants, substitutes, buyers and suppliers.

2.5 Swot analysis for Safaricom

SWOT analysis are the strengths weaknesses opportunities and threats, Safaricom possesses. According to Southerland and Canwell (2004, 276) swot analysis is a very suitable technique in understanding the overall future of an organization considering the launch of new projects. Taking advantage of these strengths and opportunities will enable this company to manage its threats and weaknesses to ensure it maintains its high market share and provide better services for its customers.

<ul style="list-style-type: none"> ● STRENGTHS ● Leading market share ● Innovative ● Wide range of products to offer ● Wide network coverage unlike some competitors ● Positive public image due to community work 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ● Jamming of network because of a large subscription base ● Higher mobile charges as compared to its biggest competitor ZAIN. ● Relatively low levels of customer satisfaction characterized by the very long queues at the customer service offices
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OPPORTUNITIES

- Operating M-pesa (mobile banking) has seen its subscription base grow even more.
- Its stability creates confidence in its customers. Its biggest competitor has seen change of ownership a couple of times in the recent years.

THREATS

- Price wars
- Competitors
- Network congestion
- Replication of its innovative ideas

3 THEORETICAL BACKGROUND.

3.1 Customer satisfaction

(Chakrapani 1998,3). has defined this as the fulfillment a customer gets when a product or service that enhances customer enjoyment consistently meets customer needs and expectations “A customer is satisfied once his/her needs, real or perceived are met or exceeded.” (Gerson 1993,13)

The degree of customer satisfaction depends on the correlation between the customer’s expectations and his/experience. Noriaki Kano developed a model to further explain customer satisfaction as shown on fig 1 below.

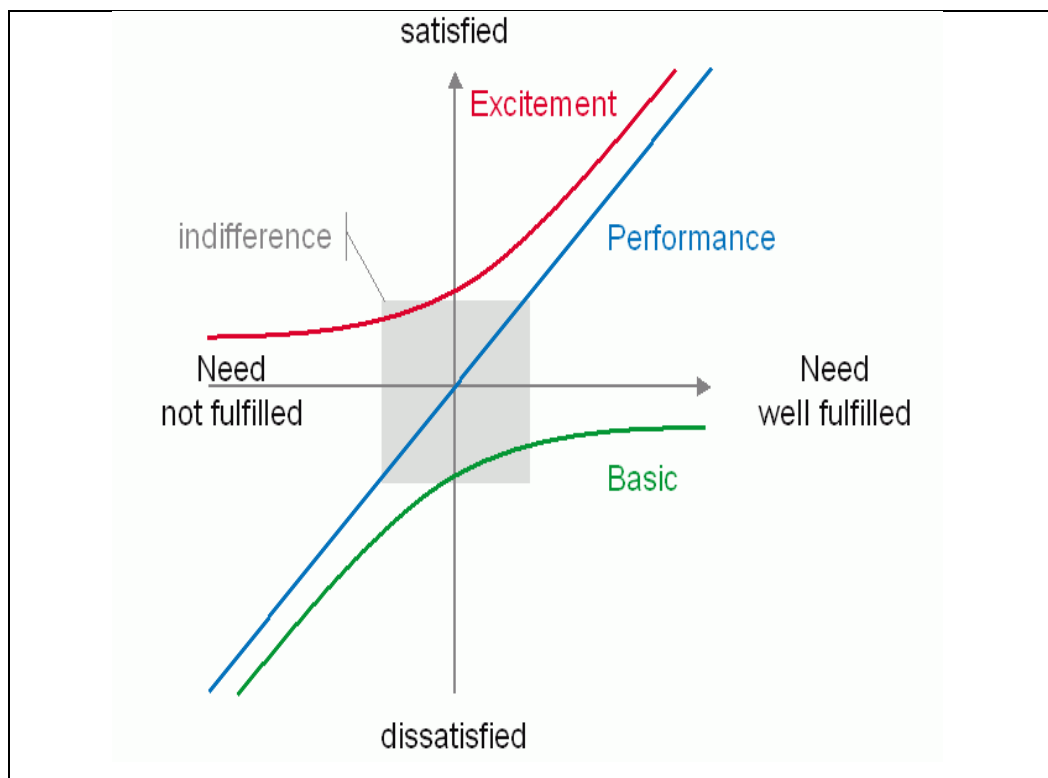


Figure 1 The Kano model of customer satisfaction

Customer satisfaction is influenced by different factors such as; service quality and product quality and price as well as personal factors that include customers' attitude and their emotional state. (Zeithaml & Bitner, 1996,124)

According to Kano, the basics needs are expected to be met by the customer and most likely the customer will not be satisfied if only the basic needs are fulfilled. The expected needs are depicted as the performance in the model illustrated in figure 1. These expected needs are those that the customer is aware of and would prefer to be fulfilled but not always a requirement.

Last but not least are the exciting experiences that even the customer cannot imagine and are delightful surprises to them like for instance offering excellent customer services. (Bo Bergman & Bengt Klefsjö 1994 pages 282-283)

3.2 The gap model

The original gap model of Parasuraman et al. (1985) is yet another model used to describe customer satisfaction and quality service is the Gap Model that illustrates in depth; the relationship between customers' expected and experienced service. It also explains the causes of customer dissatisfaction. It consists of a total of five gaps as illustrated on figure 2.

- ❖ Gap 1: This is the gap between customer expectations and management's perceptions of those expectations. This gap results from differences in a customer's perceptions and the actual outcome of services rendered to them. This gap also comes about as a result of inadequate marketing research and bureaucracy brought about by many levels of management.

Relationship marketing is an ideal strategy to close this gap since it will enhance strong bonds between the service provider and its customers. These relationships create opportunities for firms to accurately learn about customers' expectations. According to Zeithaml, firms that create strong relationships with their customers are less likely to have this kind of gaps occurring. (Zeithaml & Bitner 1996,40)

- ❖ Gap 2; The gap between management's perception of what the customer wants and specifications of service quality expected by customers which is brought about by insufficient commitment to service quality, lack of goal setting, inadequate standardization and perception of impracticalities on the part of management.

To close this gap, Zeithaml suggests that companies should incorporate important customer satisfaction barometers into their measurement systems in order to attain the perceived desired quality. “Companies need measurement systems that incorporate and align measures of customer perceptions and satisfaction with pivotal operational and performance indicators.” (Zeithaml & Bitner 1996,43)

- ❖ Gap 3: This is the gap between service quality specifications and delivery of the service. It results from mostly lack of team work and perceived control which in turn bring about poor employee and technology job fit as well as conflict of roles and role ambiguity amongst the management hence uncoordinated service delivery that is not in line with service quality specifications.

Putting in place the necessary resources needed to achieve service quality is certainly a good way to close this gap. For service companies, synchronization of demand and capacity is important because such companies are faced with situations of over-demand and under-demand. With lack of adequate resources to deal with over-demand of customer needs, companies face losses in sales and in other cases in “slow periods” company’s resources are underutilized. (Zeithaml & Bitner 1996,45)

- ❖ Gap 4; A gap between service delivery and what the company promises to the customer through external communication. This gap arises as a result of inadequate communication amongst operations, advertising and sales people. A tendency to overpromise in advertisements leads customers to perceive products/services as high quality hence the gap.

Providing accurate and appropriate communication and promoting clear understanding of service delivery to the employees helps to close this gap. Proper and sufficient horizontal communication between the sales and operations and between advertising and operations departments would assist in closing this gap.

Zeithaml suggests creating systems that coordinates the service delivery department together with the external marketing departments in order to reduce this gap. (Zeithaml & Bitner 1996,47) The gaps appear as shown in the figure 2.

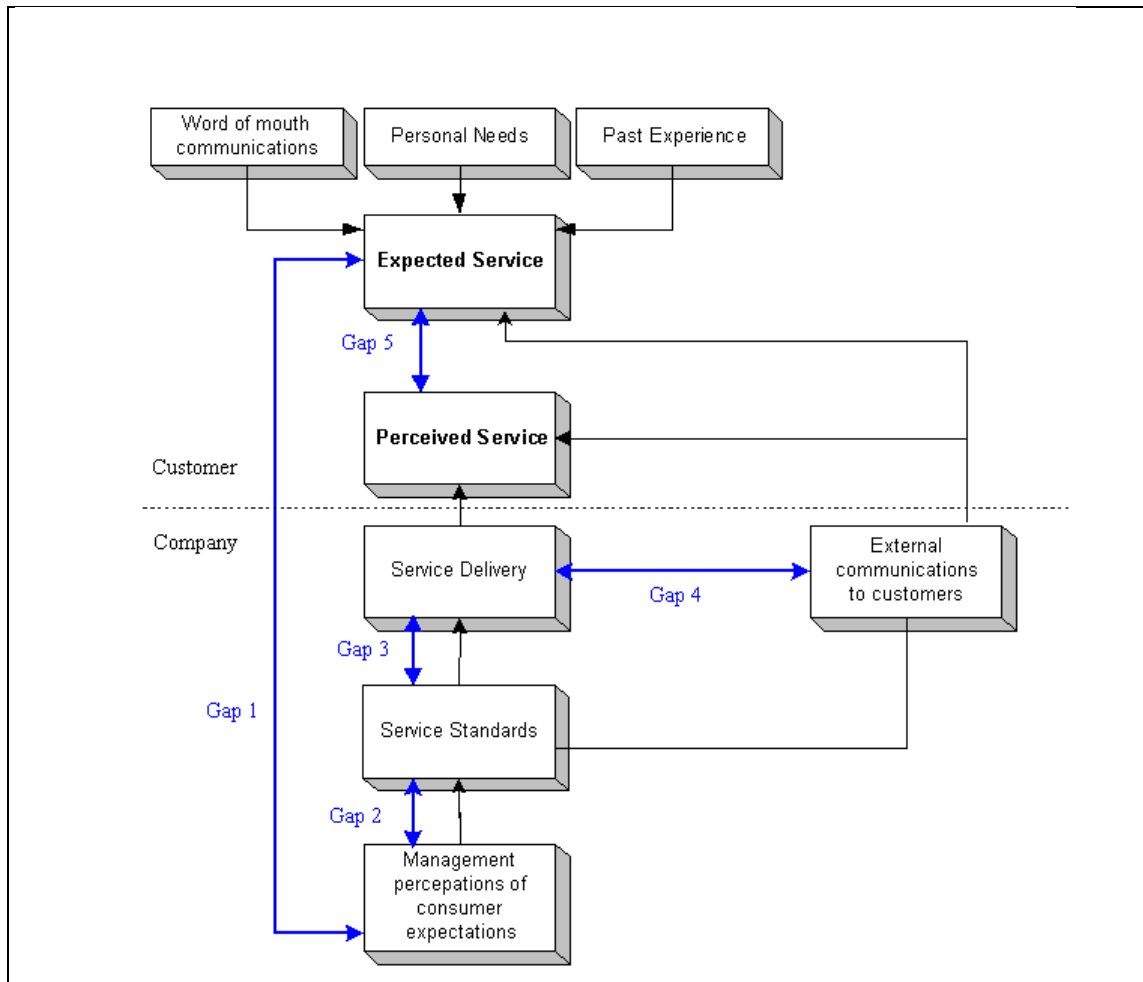


Figure 2 The Gap model of service quality

- ❖ Gap 5: This is also known as the customer gap. It illustrates the disparity between customers' service expectations and their perceptions of service performance. "Judgement of high and low service quality depend on how consumers perceive the actual service performance in the context of what they expected." (Bo Berg & Bengt Klefsjö 1994 274)

Closing this gap is achieved by first closing the other gaps. (Zeithaml & Bitner 1996,38)

3.3 Grönroos Total Service quality model.

Customer satisfaction is also influenced by Perception of total quality to customers constitutes of the brand that emerges in their minds as a result of incorporating all service dimension variables such as experiences, expectations, image and brand values. These variables add new aspect to models of perceived quality.

Grönroos (1982, 1984, 1988) had proposed and defined the dimensions of service quality as comprising of technical and functional parts.

Technical quality is the quality of the service product commonly known as Technical Customer Service Performance (TCSP).

Functional quality is defined as the manner in which the customer receives the service product, which is commonly called 'customer service'. This aspect is called Functional Customer Service Performance (FCSP).

3.3.1 What determines Customer satisfaction?

- Customer satisfaction goes hand in hand with service quality. With better service quality customers' expected needs are met and exceeded hence more satisfaction.
- Some customers' satisfaction would also be determined by price. If the price were fair to them then it would constitute to some level of satisfaction.
- Product service or features do determine customers' satisfaction. If the products or service are designed well enough to meet and even exceed their needs then they are likely to be satisfied with the services/products.
- Perceptions of equity and fairness by companies would influence customer satisfaction in the sense that customer service is expected to be good. It helps to create a positive image about such companies in the mind of the customer.
- Other consumers are a big influence of customer satisfaction because they would share past experiences. Positive experiences by other consumers have a big im-

impact on customer satisfaction since new customers will be expecting positive experiences as well and possibly even satisfaction.

3.3.2 Outcomes of customer satisfaction

- ✓ Increased revenue. This will come about as a result of more sales. When customers are satisfied they are more likely to be back for more products/ services. Satisfied employees are likely to stay longer and in doing so keep valuable expertise and customer relationships within the organization. Sales and marketing and set-up costs are amortized over a longer customer lifetime. “On average, it can cost 5 to 10 times as much to attract a new customer as it does to keep a current customer satisfied.” (Kotler et al 2008, 392)
- ✓ Customer retention is also expected since customers’ needs are met in a manner that satisfies them. Satisfied customers are likely to remain with their service providers for as long as their service providers’ competitors do not match the satisfaction they get from their service providers. Usually, repeat customers often cost less to service.
- ✓ Satisfied customers provide referrals. Positive word of mouth from satisfied customers is also an expected outcome. The word of mouth communication is a very effective tool of marketing for businesses. Consumers are more likely to believe word of mouth than other modes of advertisements since a word of mouth could mean “a past experience” which is more believable by most consumers.
- ✓ Satisfied customers may be prepared to pay a price premium moreover customer expenditure increases over time.

3.3.3 Measuring customer satisfaction

According to (Hill & Alexander. 2007, 3-4) The main purpose of customer satisfaction measurement is to provide information on how to improve in the future. A good customer satisfaction survey is based on the most important requirements of customers. Measuring customer satisfaction provides managers with the correct information, which

enables them to make the right decisions to maximize customer satisfaction and as a result improve customer retention. However, monitoring customer satisfaction is of no use if management is not committed to the process of acting on the results. (Cook 2008, 95; Hill & Alexander 2006, 5, 9)

Whenever something is measured, it is performed, accomplished and generally improved upon. Employees do, not take issues that are not measured, seriously because it is impossible to base performance management and rewards on them. (Gerson, 1993, 6; Hill & Alexander. 2006, 35) “Identifying the extent to which an organization is doing best what matters most to customers” (Hill & Alexander. 2006, 7)

According to Gerson, there are seven basic reasons for measuring customer satisfaction that are listed below.

- a. Identification of customer perceptions. This is vital for companies to identify the perceptions that their customers have in order to work on them to build better relationships that in turn help to improve on their service quality.
- b. Determine customer needs, wants, requirements and expectations. In order for companies to satisfy their customers they need to know what is required and expected of them by their customers.
- c. To close gaps. In a bid to carry out customer satisfaction survey, the existing gaps between service providers and customers are identified and hence worked upon. These gaps are illustrated on Figure 2.
- d. To check up on the existing service quality models. Measuring the performance of the service quality models in use is a good way to determine the need for improvement and modifications in order to increase the customer satisfaction levels.
- e. To improve performance and hence increase profits. Measuring customer satisfaction will lead to improved service quality then increase customer satisfaction will follow and eventually better profits since satisfied customers are likely to return for more services.

- f. Customer satisfaction survey reveals the company's position as well as suggestions on which way forward in the customers' perspectives.
- g. Application of continuous improvement process. In order to attain continuous improved services, customer satisfaction survey ought to be carried out on a continuous basis for the sake of creating long-term relationships with customers as well as long-lasting solutions to improve services. (Gerson 1993,32-39)

3.4 Customer loyalty

Customers that are totally satisfied are more likely to be loyal customers. However the relationship between customer satisfaction and loyalty varies greatly across industries and competitive situations. (Kotler et al 2003,23)

With the ever-increasing competition the cost of attracting new customers is rising. It might cost five times as much as attract new customers as to keep current customers happy. Customer retention can be achieved by delivering high customer satisfaction and value that result in strong customer loyalty and well-developed business relationships. (Kotler et al 2003,23) The different levels of customer loyalty are as shown in the figure 3 sourced from www.emerald.com

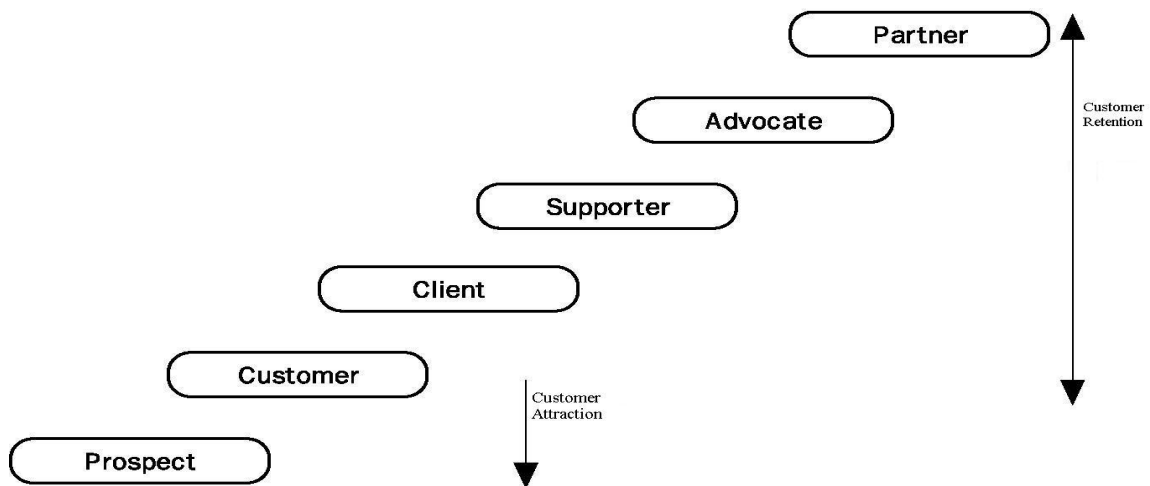


Figure 3 The ladder of customer loyalty in relationship marketing

Customer loyalty has different levels and it is very important for firms to target the right customer whose loyalty can be developed and not those whose loyalty is easily attracted by cutting prices (Sarah Cook 2008: 11)

A prospect in this ladder refers to someone with the potential to become a customer. Prospect customers usually show interest in promotions carried out by firms. A customer on the other hand is a person who has already purchased goods or services at one point in time.

As depicted in the ladder, more emphasis should be put towards these two components of the in order to ensure that they become regular clients.

A client is one who goes back for products or services from the same dealer that they had previously purchased from. A supporter in this context is a person who supports this dealer passively whereas an advocate is a customer who promotes the dealers business on his behalf. He is usually a satisfied customer and often recommends the dealers products/ services to others. At the top is a partner who is enters into a partnering relationship with the firm in question.

<http://www.emeraldinsight.com/journals.htm?articleid=842399&show=html>
13/09/2010)

3.5 Fundamentals of customer Complaints

The customer service complaint is somewhat inevitable since even the most well managed businesses will occasionally have failures; it is equally foreseeable that from these failures will emanate complaints. It is healthy to recognize complaints as basic and necessary parts of the overall business environment.

These complaints should be looked upon both as opportunities to maintain past accounts and to secure new ones, rather than as tribulations. “Customer complaints often provide an opportunity for a company to learn about deficiencies in their product, process or

service delivery -- and to take steps towards improvement.”

([How to Handle Customer Complaints | eHow.com](#) 13/09/2010)

3.5.1 Managing customer complaints

Below are some basic yet important steps to follow whenever approached by a customer complaint.

- a. Listen very carefully to the complaint and if necessary paraphrase it in order to get the facts of the complaint with preciseness. This will ensure that you as the service provider and the customer with the complaint are actually on the same page.
- b. Start by apologizing to the customer for the mishap and try to look at the complaint from their perspective. Showing empathy for the customer would be a positive move. Handle yourself with professionalism and avoid showing signs of uncertainty and nervousness.
- c. Ask for a recommendation from the customer complaining. The suggestions recommended might be of great importance in rectifying the situation at hand.
- d. Gather all the necessary facts involved in that situation before making a final decision on the course of action. Be sure to take the customer's contact details should the solution of the problem need to be solved at later date.
- e. Develop a plan for addressing the complaint.
- f. Implement the plan and follow up.

([How to Handle Customer Complaints | eHow.com](#) 13/09/2010)

4 SERVICE QUALITY

Zeithaml and Bitner describe Service quality as the delivery of excellent or superior service relative to customer expectations. Consumer's judge service quality based on the process of service delivery and their perceptions of the technical outcome of the service rendered.

Process quality in this case would refer to things such as courtesy of Safaricom employees and employees' responsiveness in returning phone calls.

Technical outcome can be determined on services that have specific outcomes and in this case a good example would be an instance in which a Safaricom subscriber has an Internet connection problem and approaches the technical team at Safaricom to get his/her connection in place. In such an instance the customer would be able to judge the actual competence or effectiveness of the outcome. (Zeithaml & Bitner 1996,117)

Figure 4 is a diagram depicting customer perceptions of quality and customer satisfaction dimensions.

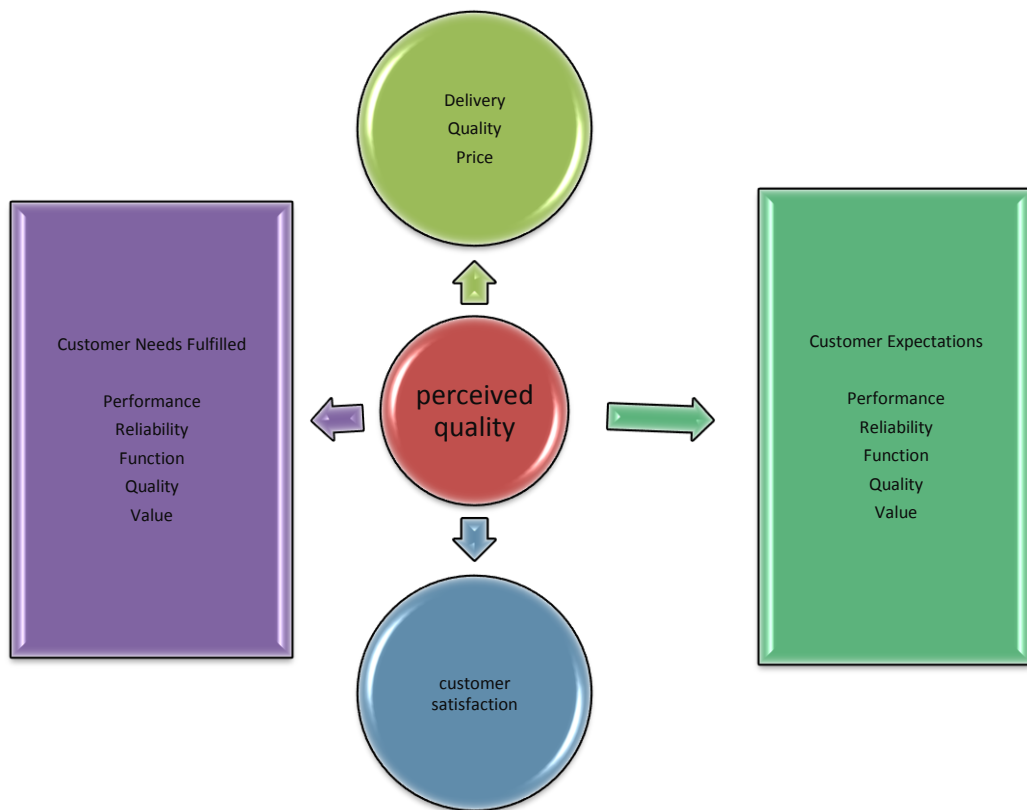


Figure 4 Factors influencing customer satisfaction

4.1 Dimensions of service quality

In the assessment of service quality, consumers take into consideration these five dimensions;

- **Reliability:** Delivering on promises. Reliability is described as the ability to deliver on the company's promises dependently and accurately with matters pertaining to service provision, problem solving strategies and pricing.

Firms that fail to deliver on their reliability promises do actually fail customers in the most direct way and according to Zeithaml; customer expectations for service are likely to go up when service delivery is underperformed. "When service failures occur, customers' tolerance zones are likely to shrink and their adequate and desired service levels are likely to rise." (Zeithaml & Bitner 1996,121)

- **Responsiveness:** Willingness to help. Responsiveness is the willingness to assist and provide prompt customer service whenever required. The emphasis is mainly on the attentiveness and promptness of customer services rendered such as questions, problems and complaints that customers would need to be dealt with.

Responsiveness is determined by the length of time that customers have to wait for assistance and the flexibility of service providers to customize their service in order to meet customers' needs. Responsiveness perceptions do shrink when customers are made to wait too long to get assistance.

- **Assurance:** Inspiring trust and confidence. Assurance is the knowledge and courtesy of employees as well as the ability of a firm to inspire trust and confidence in customers. This assurance is mostly required in services that involve risks such as insurance, banking or brokerage services.

Trust and confidence is normally embodied in the person that connects a firm with its customers for instance brokerage agents link their firm to customers. It would be important for such agents to inspire trust and confidence in order to build loyalty and assurance in their customers.

Visible evidence that would inspire trust and confidence in customers would be that of educational qualifications such as degrees and awards. New customers are likely to use such evidence to assess assurance.

- **Empathy:** Treating customers as individuals. According to Zeithaml, empathy is the caring and individualized attention given to customers. Normally empathy is conveyed when customers get personalized or customized services and are made to feel unique and special.

Knowing customers by name and building personal relationships with them creates empathy in firm reflecting personal knowledge preferences of customers' wants. Customers like to feel understood and special.

With personal knowledge of customers' wants, firms are able to customize their services to meet these needs.

- **Tangibles:** Representing the service physically. Tangibles are the physical appearances of physical facilities, equipment, personnel and communication materials according to Zeithaml.

These tangibles represent images of the services that customers expect to get. In most cases new customers use these tangibles to evaluate the service quality so it is of great importance that firms enhance their image to reflect quality as well as provide continuity in their "service quality image". (Zeithaml & Bitner 1996,119-123)

4.2 Developing quality services.

The development of quality philosophy according to Edwards Deming is heavily influenced by the role of top management. He believes that if top management is totally committed to quality issues then there is a possibility of achieving continuous quality improvement.(Bo Bergman 1994;56)

Deming's philosophy of quality 14-point management list is quoted below.

- 1) Create constancy of purpose for improvement of product and service.

- 2) Adopt the new philosophy.
- 3) Cease dependence on inspection to achieve quality.
- 4) End the practice of awarding business on the basis of price tag alone. Instead, minimize total cost by working with a single supplier.
- 5) Improve constantly and forever every process for planning, production and service.
- 6) Institute training on the job.
- 7) Adopt and institute leadership.
- 8) Drive out fear.
- 9) Break down barriers between staff areas.
- 10) Eliminate slogans, exhortations and targets for the work force.
- 11) Eliminate numerical quotas for the work force and numerical goals for the management.
- 12) Remove barriers that rob people of pride of workmanship. Eliminate the annual rating or merit system.
- 13) Institute a vigorous program of education and self-improvement for everyone.
- 14) Put everybody in the company to work to accomplish the transformation.

4.3 The importance of customers in service delivery

“Customer participation is part and parcel of service delivery since services are actions or performances typically produced and consumed simultaneously. Because of their participation they are indispensable in the production process of service organizations and they can actually control or contribute to their own satisfaction.” (Zeithaml 1996,366)

The level of customer participation is considered low, moderate or high in varying services. In the low level of participation, customer’s physical appearance is all that is re-

quired in the production and delivery of services like for instance in the restaurant or airline industry.

The moderate level of customer participation is characterized by customers' provision of information about the service providers acting as a consultant, offering innovative ideas and communicating positively or negatively with the existing and potential customers. Good examples depicting this level of participation are; tax preparation and haircut services.

The high level of customer participation involves partnership between the customer and the service providers to help assess and customize service delivery. Such a customer could be a partial employee who contributes effort to enhance service delivery.

(Zeithaml 1996, 367)

4.4 Customer Roles in service delivery

- ✓ **Customers as Productive Resources:** This involves the customer who is highly involved with the service provider in the production process. Such customers are also referred to "partial employees" as mentioned earlier.

The quality of customer's input as well as the quality and quantity of the resulting outcome generated affects a company's productivity especially for service production firms. For instance in an accounting firm, the quality of tax preparation would be greatly influenced by the quality of information the customer contributes.

- ✓ **Customers as contributors to Service Quality, Value and Satisfaction**

In service delivery, customers can contribute to their own satisfaction. With effective customer participation, customer's needs are likely to be met say for instance a case of a customer who wants to lose weight. Contribution of such a customer will determine the level of satisfaction they are likely to get and hence without effective participation of the customer, the desired outcome is not achievable.

Customers also contribute to service quality by asking questions or even by complaining whenever they get poor services. By voicing their concerns, they are able to inform the service providers on what to work on to better their services in future.

(Zeithaml 1996, 371)

- ✓ **Customers as competitors;** In cases where customers are partial employees or where they are highly involved in the production process then at some point they would consider satisfying themselves without the intervention of service providers.

A good example illustrating this role would be that of a customer who desires to lose weight with the help of a trainer but then decides to lose weight by themselves without the trainer's assistance and actually succeeds. (Zeithaml 1996, 372)

4.5 Customer Relationship Management

Customer relationship management (CRM) is a strategy for managing a company's interactions with clients and sales prospects. It involves use of technology to organize, automate, and synchronize business processes such as; marketing customer service and technical support.

CRM aims at identifying profitable customers and find effective ways to develop relationships with them, and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service so as to nurture business on long-term basis with long-term success and profit.

CRM allows a company to find and attract new profitable customers and by so doing the company stays on top of their needs and hence increase their satisfaction. This also helps to build customer relationships and brand loyalty. (Solomon et al, 2009, 230)

5 METHODOLOGY

Data collection for this research involved both primary and secondary sources. Primary data was collected through qualitative and quantitative methods. Qualitative research is an exploratory research methodology based on a rather small sample size intended to provide insight and understanding a problem setting.

Qualitative research is focused on acquiring qualitative data /information and understanding of the underlying reasons attitudes, feelings and motivations of product users. Proper examples for qualitative research are; in-depth interviews and focus groups. (Kotler et al, 2008,335)

Quantitative research is numerically orientated and is aimed at qualifying the data in statistical analysis. Data is normally illustrated with diagrams and graphs. It is focused on a large number of representative cases and usually involves a large sample size

Quantitative methodology is set to answer research questions such as what, where, how often or how much. It is carried out through questionnaires that in most cases have pre-determined answers as well as through survey. (Malhotra, 2005, 43)

For this survey, the researcher opted to use a quantitative research methodology by giving out questionnaires to a random sample of Safaricom's customer base. A total of 120 persons were involved in this survey but unfortunately only 84 people responded to the questionnaire.

The researcher who is based in Finland had to travel to her home country and collect data because that is where Safaricom was based and most importantly it is where the customers were.

Questionnaires were also sent online through facebook social network and to yahoo email addresses that the author managed to get from marketing forwards. This turned out to be very convenient since it did not involve a lot of movement. The online questionnaire was made up of 50 out of the 84 respondents. Online respondents were mainly based in urban areas.

The author also used secondary data in this research in form of books and the Internet to source out information necessary for this study.

5.1 Research Validity and reliability.

Crowther describes validity as the extent to which the data collection method measures what it is supposed or expected to measure. Failure for ensuring valid research could lead to collection of data that is meaningless or misleading for the research in question. (Crowther & Lancaster 2005,80)

The survey was carried out to investigate the level of customer satisfaction amongst Sa-faricom's customers and the fact that this data was collected from these customers means that the information was a true reflection of what the customers felt hence its reliability.

The results are considered reliable also because the sample used for this survey was considerably large enough and represented a wide spectrum of the different types of customers that the researcher was looking for.

5.2 Measuring Customer Satisfaction

It is of utmost importance to come up with a customer satisfaction system that can be put into action and which involves key measures of satisfaction in order to come up with the necessary and required data. Figure 5 is a diagram showing a step-by-step guide to measuring customer satisfaction (Chakrapani 1998, 213)

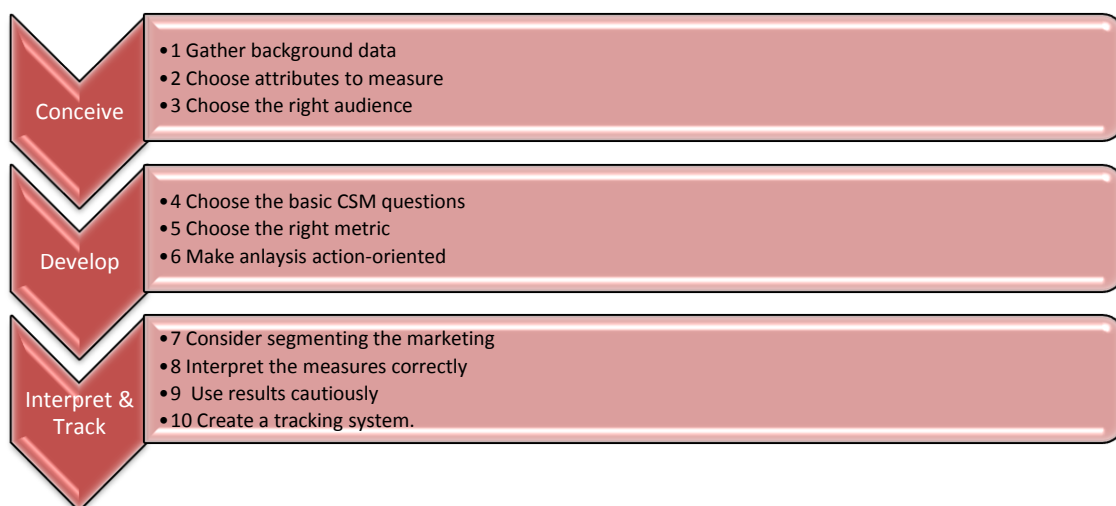


Figure 5 A step-by-step guide to measuring customer satisfaction

6 RESULTS OF THIS SURVEY

(Chart 1)

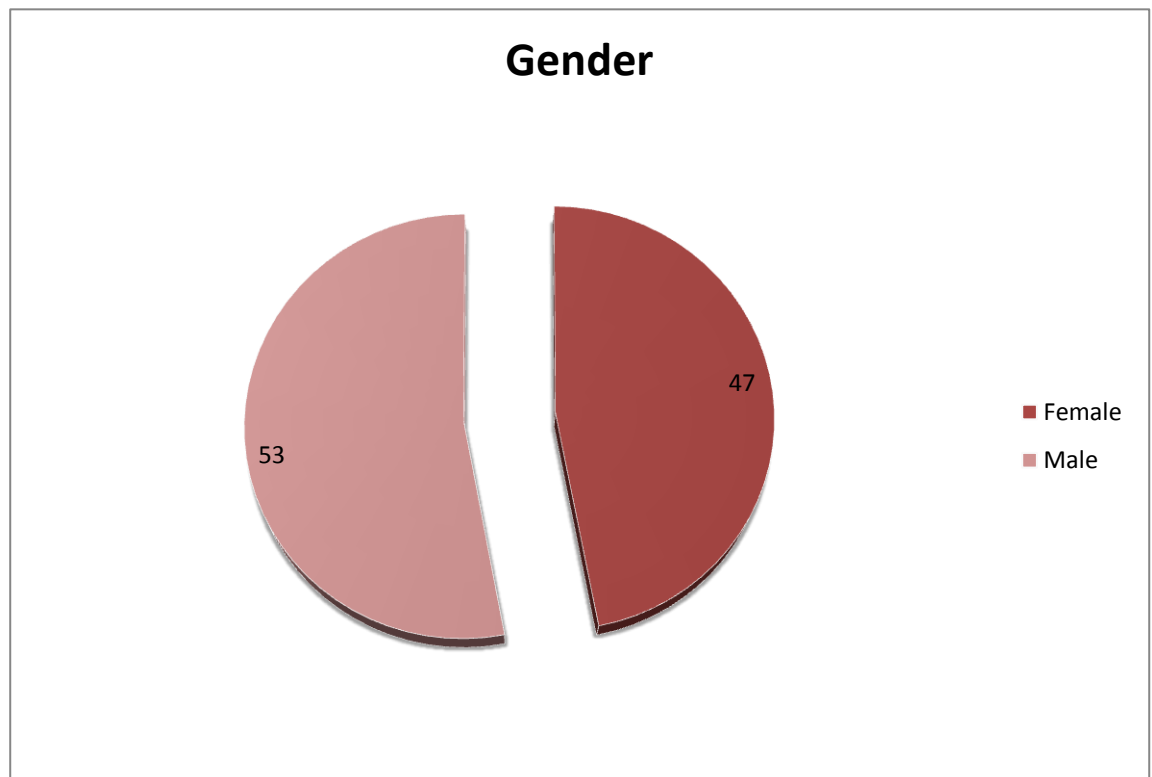


Table 1 Gender

For this research, the author was able to collect information from more males than from females. As shown in the chart above, males had 53% representation as compared to 47% representation by their female counterparts.

(Chart 2)

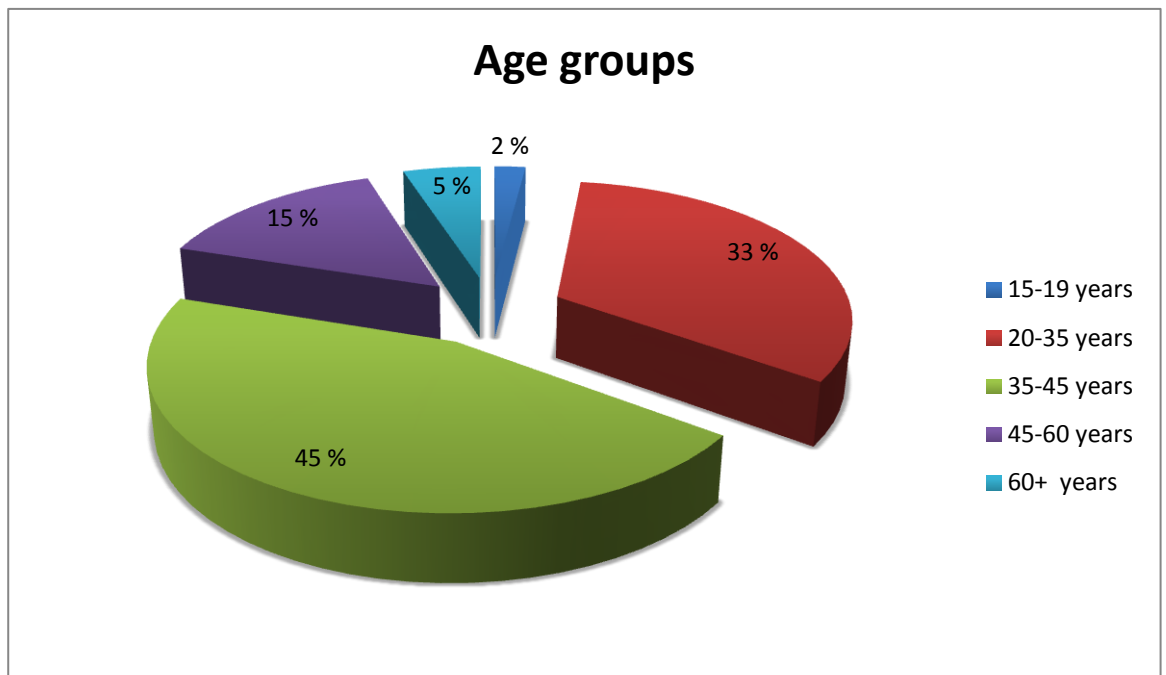


Table 2 Age Distribution

Chart 2 illustrates age distribution amongst respondents. The low percentage of respondents below 19 years of age would best be explained by the fact that these are age group belongs to high school students who did not participate much in this research.

Respondents above 60 years of age are represented with a low percentage because they are not so much into telecommunications and modern technology. They are mostly from the rural areas where people can live with minimal use of mobile phones or other sorts of telecommunications. They are also in their retirement stage.

Respondents between 20 - 45 years of age comprise of the youth and the working group hence the need of interaction using telecommunication every now and then. This is reflected by a whopping 78% of the respondents.

Respondents between 45-60 years belong to a working group that is heading towards retirement and are not actively involved in using telecommunication modes as compared to their younger counterparts.

(Chart 3)

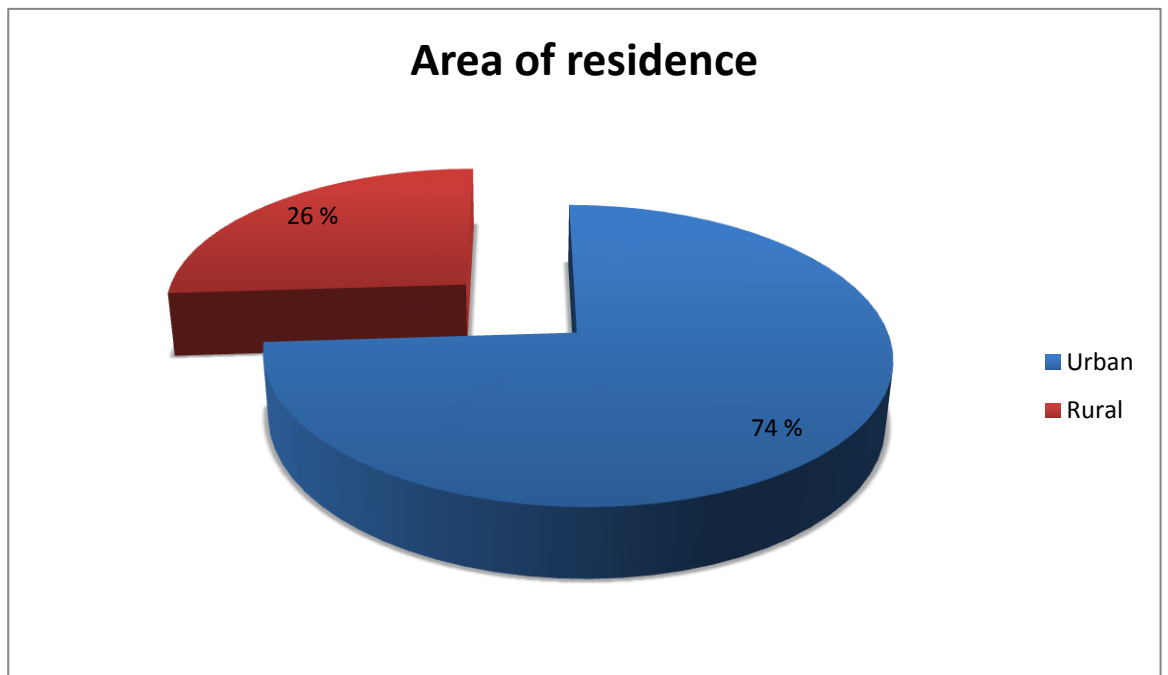


Table 3 Area of residence

In order to get proper representation of customer views the researcher targeted customers from both the rural and urban areas. However response from the rural areas was underwhelming with only 26% to show for it. Most of the participants were mainly from the urban areas comprising of 74%. As mentioned above 50 out of the 84 responses was through the Internet.

(chart 4)

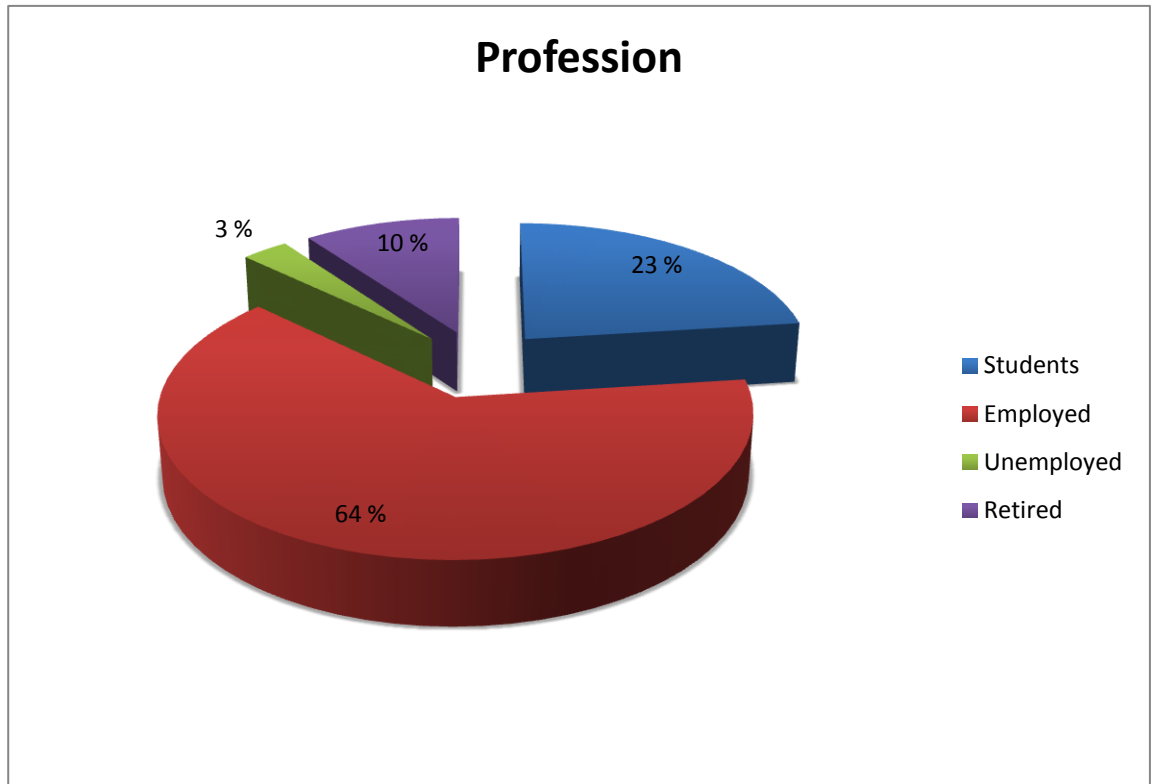


Table 4 Profession

The unemployed participants made up 3% that could be simply explained by the fact that one needs money for the continued use of telecommunications modes. With a source of income it is possible to pay for Safaricom's products and services hence 64% among the employed and 23% amongst students. Students are very socially interactive and as this research revealed, they are fond of using Safaricom's products and services.

(Chart 5)

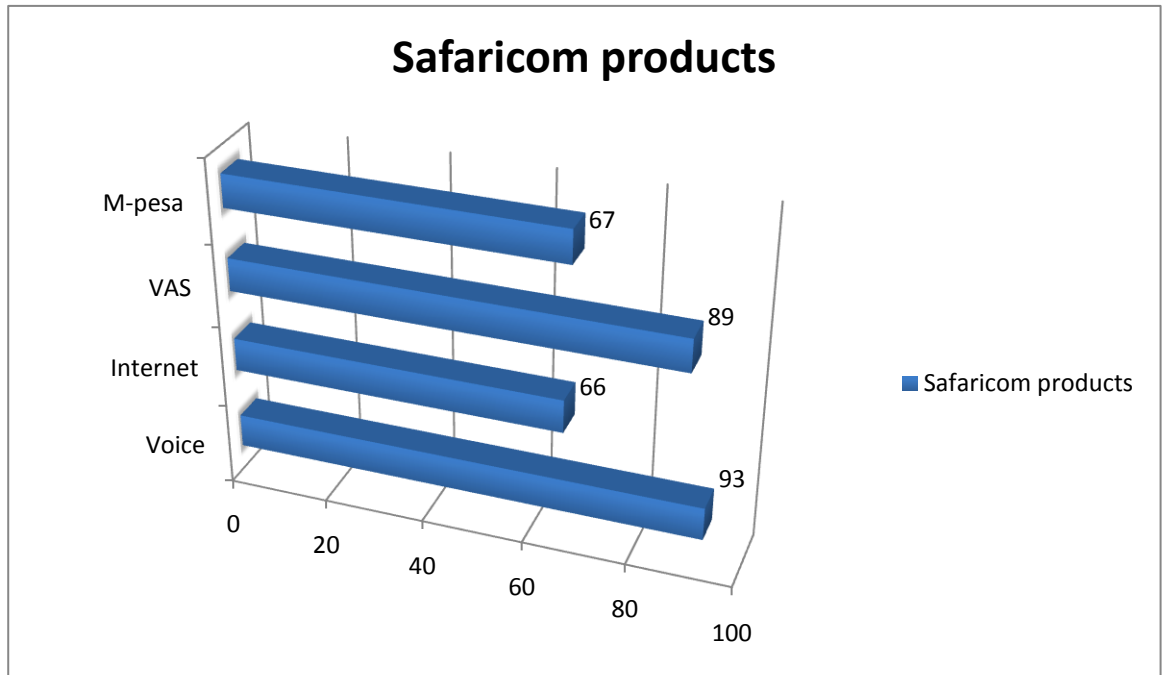


Table 5 Various Safaricom's products

The research revealed that most of the subscribers commonly use Safaricom to make calls and VAS purposes. VAS in this case involves messaging, music and information e.g. getting 411 through a text message to Safaricom.

Internet browsing through the phone is very common amongst the youth, which explains the figures illustrated in the chart.

M-pesa is mobile banking as well as money transfer services through Safaricom. This service has seen an increase in subscription base for Safaricom since its introduction hence the high values in the chart.

<http://www.safaricom.co.ke/index.php?id=296>

(Chart 6)

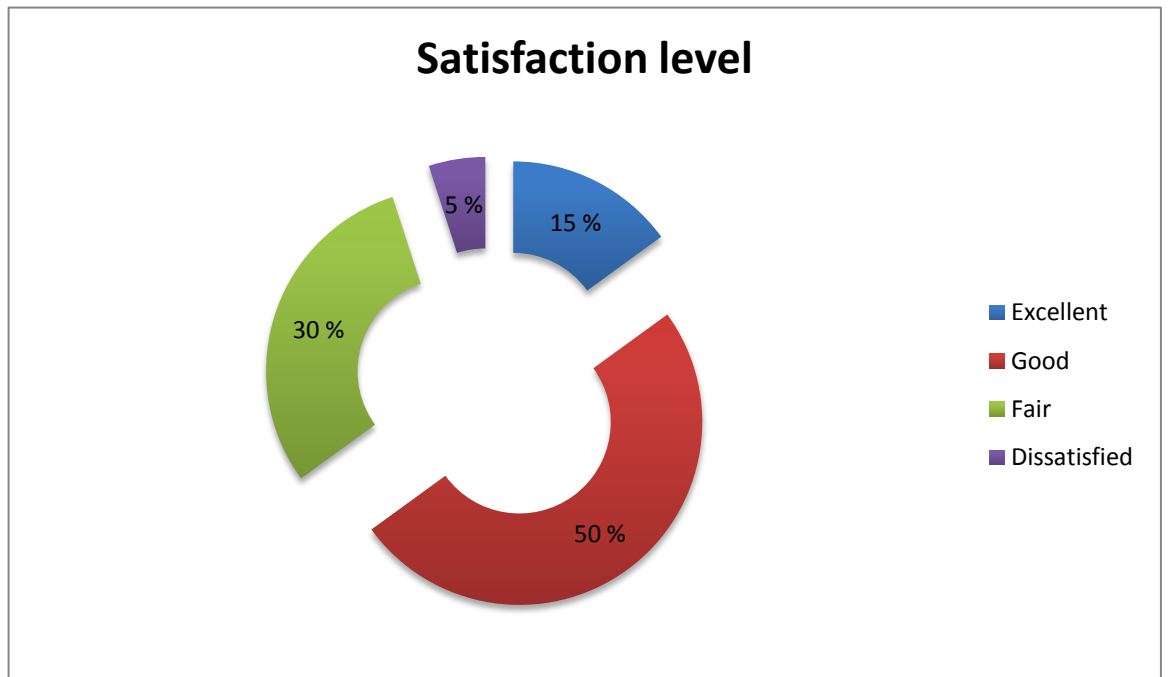


Table 6 Satisfaction levels

According to this research, 15% of the customers' satisfaction was met and possibly exceeded hence the excellent satisfaction level. 50% found Safaricom's products and services to be good. 30% of the respondents found the products to be fair which also meant that their perceived value was met but not exceeded. It ought to be in the company's interest to exceed customer expectations in a bid to improve customer satisfaction levels.

From this survey 5% of the respondents were dissatisfied with Safaricom's products and services. The company ought to do everything in its power to keep and maintain a minimum number of dissatisfied customers.

(chart 7)

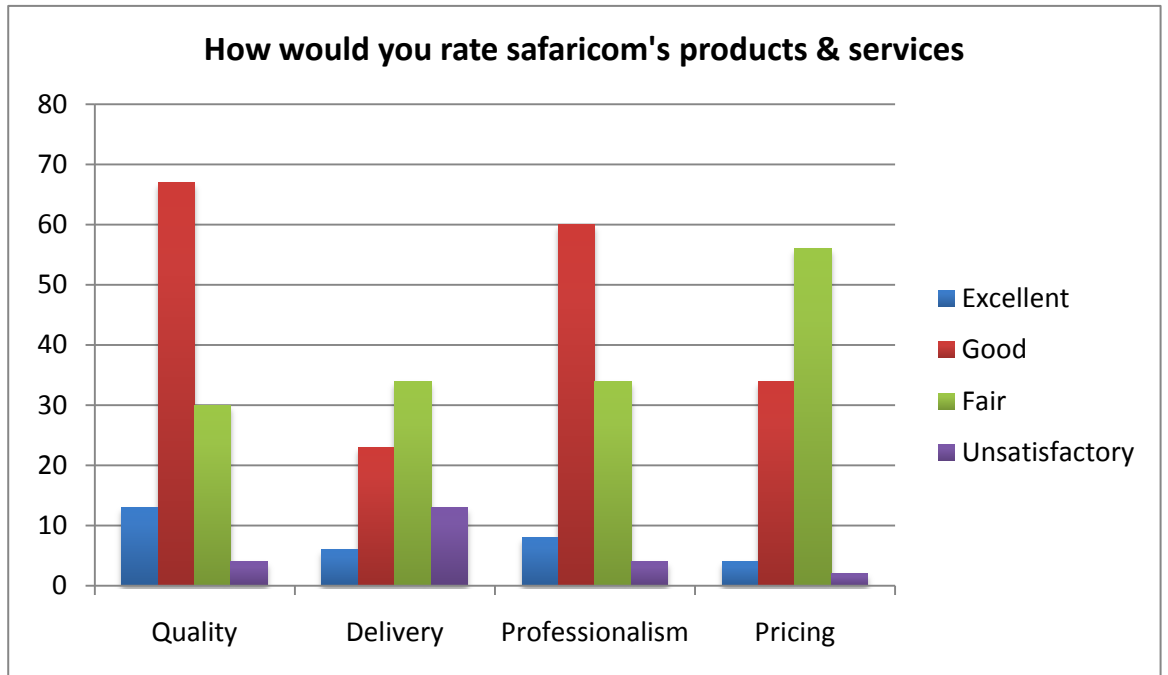


Table 7 Categorized ratings

In the given general categories, pricing had the least unsatisfactory response meaning that generally the customers were happy with pricing. Quality and professionalism analysis also showed a general sense of satisfaction for the customers indicated by very low levels of dissatisfaction.

Delivery of Safaricom's products and services is not in sync with the other three categories. This analysis indicates a sense dissatisfaction, which could better explain the 5% level of customer dissatisfaction level noted in chart 6.

(Chart 8)

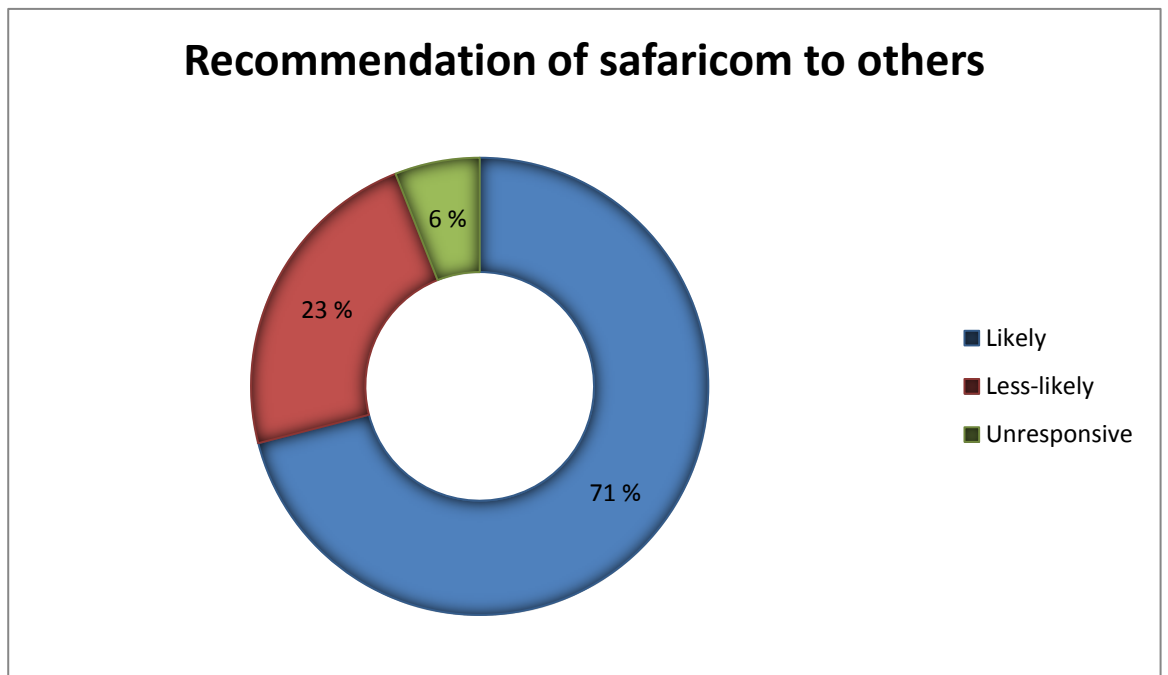


Table 8 Likelihood of recommendations to others

With 71% of the customers likely to recommend Safaricom to other people then it is worth investing in customer satisfaction because they will spread a positive word of mouth, which is a very effective tool in marketing especially when targeting new customers.

Those that are not likely to recommend Safaricom to others may have consisted of the dissatisfied customers.

(Chart 9)

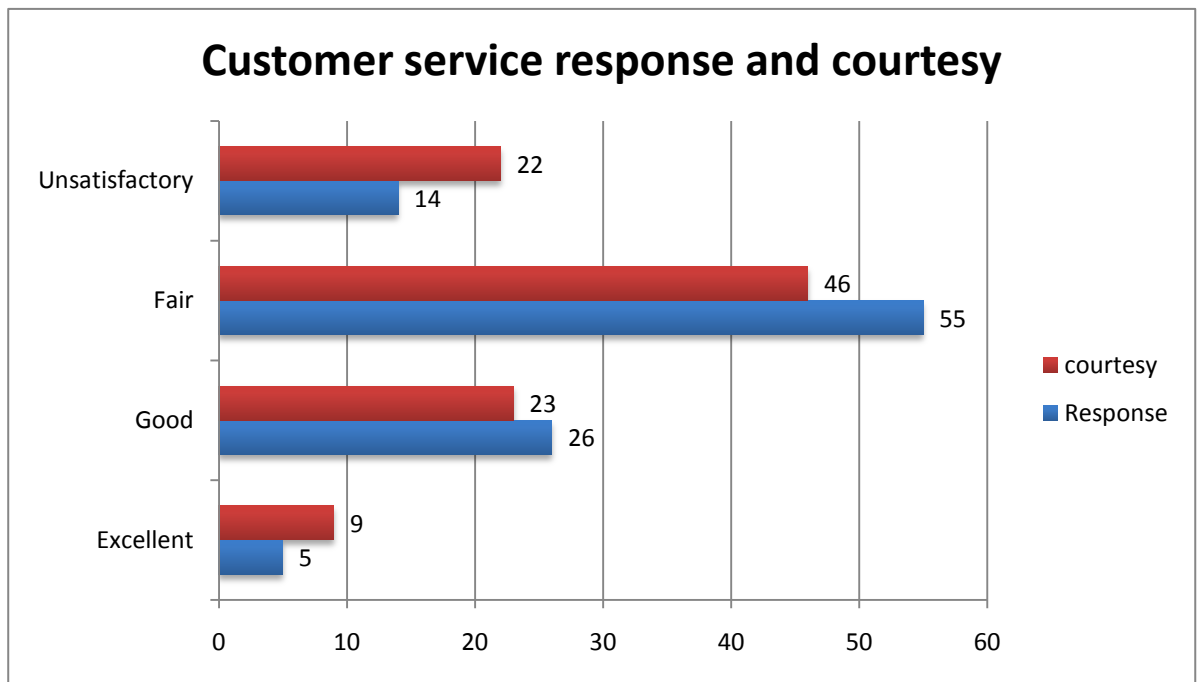


Table 9 Customer service response

Generally customer service response and courtesy seems to be fair. Customers who received excellent and prompt response are only 5% and 9% for those who received highly courteous customer service.

Most of the people received fairly good customer service response and courtesy but that does not deter the author from pointing out the high levels of dissatisfied customers. According to this research, 14% of the respondents were unsatisfied with the promptness in customer service response and a whopping 22% were not happy with the courtesy levels in customer satisfaction.

According to this survey, efficient customer service is lacking and may be one of the reasons for the high levels of dissatisfaction of delivery of services as depicted on chart 7.

(Chart 10)

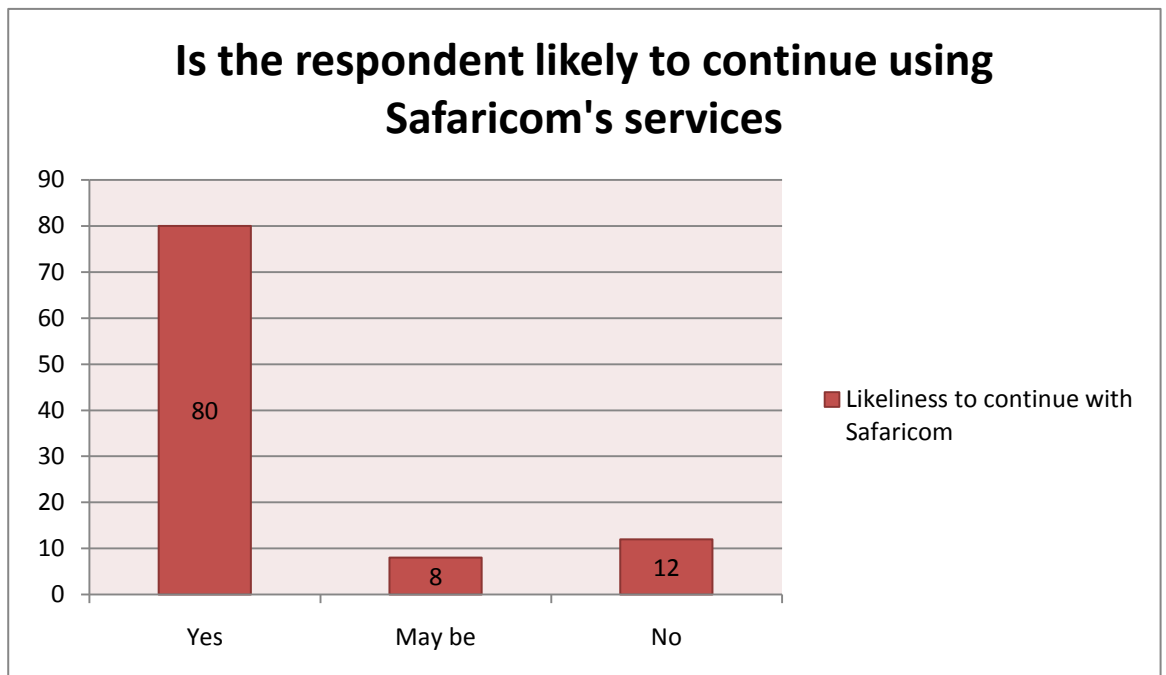


Table 10 likelihood of continuing with Safaricom.

This survey may have delightful news for Safaricom if these numbers are anything to go by. If the customers remain true to their word, then at least 80% of the 84 respondents are likely to remain with Safaricom as their service providers, while 12% are likely to make a switch. At least 8% are not sure of the moves they will make.

6.1 Open-ended comments.

The questionnaire used for this survey had a section of open-ended questions, which gave the respondents a chance to air their comments. This section is divided into three topics, namely: The things they liked about Safaricom, The things they did not like about Safaricom, and lastly Suggestions for improvement. The most common views are as listed below.

6.1.1 Things they liked about Safaricom.

Most of the respondents were pleased with the m-pesa services that made banking easier for so many people who would otherwise not have gotten the chance

because of the relatively high banking charges. Respondents were also quick to add that Safaricom is highly involved in community services that have enhanced its image. They were grateful to Safaricom for that.

6.1.2 Things they disliked most about Safaricom

According to the findings from this survey, customer service is lacking and needs to be dealt with. Quite a number of respondents pointed out that there is some sort of network congestion especially on Friday evenings. Calls and text messages hardly go through.

6.1.3 Suggestions

Most of the respondents left out this bit but the few who managed to air their views suggested that customer service should be checked as well as reduce prices for broadband connection. Additionally, some hoped to see an end to the network jams in the near future.

6.2 CONCLUSION

It is very vital for any institution to assess and know the level of customer satisfaction they are presently at. High customer satisfaction levels could translate into profits for a firm such as Safaricom whereas dissatisfied customers are more likely to shift in favor of competitors.

The main objective of this study was to find out the level of customer satisfaction and as per the findings of this survey, Safaricom customers are quite satisfied with the products and services offered to them. It is of utmost importance for a company to keep and maintain their customers by meeting and exceeding their expectations hence satisfaction.

Although there are a small percentage of dissatisfied customers, Safaricom cannot be able to please everyone but the company is trying to ensure that there is minimal dissatisfaction amongst its customers.

The most significant issue that would require instantaneous response would be the issue of customer service delivery. It is notably lagging the company. According to the numerous surveys in the recent past about Safaricom, the company has got wind of this issue and has been working on it by introducing a service whereby one can send a text message giving feedback on how they were served while seeking customer service.

The second objective was to find out the main problems that customers come across and since it has been noted that satisfactory customer service delivery is lacking even after implementation of better ways of controlling it perhaps, it will take a while before it is fully in place.

Public awareness of the improved ways of checking customer service delivery is vital. This way, customers will be able to report complaint they may be having.

<http://www.safaricom.com/adminlive/FileUploads/Safcom2010Results/PDF%20version/pdf/custmark.pdf> 27/09/2010)

Last but not least, the third objective was to seek suggestions for improvement of services for Safaricom. The findings of this report indicate that customers would prefer lower broadband connections and less jamming of the network.

Although Safaricom is on top of its game with continued success stories over the years, there is always room for improvement. The research reveals that in general the customer satisfaction level is good there are major no alterations needed to be made.

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www.facebook.com

www.yahoo.com

APPENDICES

CUSTOMER SATISFACTION SURVEY FOR SAFARICOM LIMITED COMPANY

What is your gender?

- Male
 Female

Where do you reside?

- Urban areas
 Rural areas

What is your age-group?

- 15-19 years
 20-35 years
 35-45 years
 45-60 years
 Above 60 years

What is your professional status?

- Student
 Employed
 Unemployed
 Retired

Which Safaricom products do you normally use?

- M-Pesa
 Internet
 Voice (making calls)
 VAS (Messaging and music)

How would you rate the services that you normally use?

- Excellent
 Good
 Fair
 Dissatisfactory

How would you rate Safaricom in the following categories; quality

- Excellent
 Good
 Fair
 Dissatisfactory

How would you rate Safaricom in the following categories; Service delivery

- Excellent
 Good
 Fair
 Dissatisfactory

How would you rate Safaricom in the following categories; Professionalism

- Excellent
 Good
 Fair
 Dissatisfactory

How would you rate Safaricom in the following categories; pricing

- Excellent
 Good
 Fair
 Dissatisfactory

How would you rate Safaricom's customer service responsiveness?

- Excellent
 Good
 Fair
 Unsatisfactory

How would you rate Safaricom's customer service courtesy?

- Excellent
 Good
 Fair
 Unsatisfactory

Would you recommend Safaricom to others?

- Likely
 Less-likely

Are you likely to continue using Safaricom's products and services?

- Yes
 No
 Maybe

Additional Comments and suggestions.

Thank you for your participation!